

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, April 21, 1988 2:30 p.m.**
 Date: 88/04/21

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.
 Amen.

head: TABLING RETURNS AND REPORTS

MR. ELZINGA: Mr. Speaker, I beg leave to table the 1987 annual report of the Alberta Veterinary Medical Association.

MS LAING: Mr. Speaker, I would file with the Assembly a short bibliography on pay equity legislation and a case study of the implementation of the same for the information of the hon. Minister of Career Development and Employment.

head: INTRODUCTION OF SPECIAL GUESTS

MR. GETTY: Mr. Speaker, I'm pleased today to introduce to you and through you to the Legislature, a former member of the Legislature, a former MLA for Edmonton-Whitemud. He's sitting in your gallery, Mr. Speaker: Mr. Peter Knaak. I ask the members to welcome him to the Legislature in the normal fashion.

MR. ELZINGA: Mr. Speaker, it's my pleasure, sir, to introduce to you and through you to Members of the Legislative Assembly, a number of members of our senior staff of the Department of Agriculture. Let me begin by introducing them and asking them to receive the warm welcome after the introduction of the group. I will begin with Mr. David Yakabuski, director of financial administrative services, and his senior staff members John Pejs, Rick Pixley, Rose Matisko, Charles MacFarlan, and Bob Brickman. I would ask them all to receive the warm welcome of the Legislative Assembly.

MRS. McCLELLAN: Mr. Speaker, it is my pleasure to introduce to you and through you to the members of the Assembly, 17 grades 6, 7, and 8 students from the New Brigden school, my hometown. They are accompanied by their teacher Garry Trarback, parent Larry Ness, and bus driver Dean Herron. They are seated in the members' gallery, and I would ask them to rise and receive the warm welcome of the Assembly.

MR. STEVENS: Mr. Speaker, I'm pleased to introduce to you and through you to the members of the Assembly, eight students from the Exshaw junior high school in the constituency of Banff-Cochrane. They are accompanied by their principal, Mr.

Carl Dick, and by Mr. and Mrs. Bristow. Mr. Speaker, the young students today are representatives of the Bearspaw, Chiniki, and Goodstoney bands of the people of the Stoney Nation. Would they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the members of the Assembly, 17 students from the Adult Development Centre. They are accompanied by their teachers Barb Foxall, Scott Cline, Dianne Shrimpton, and Jennifer Bourret. I would ask that they would rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Chair recognizes the Member for Calgary-Egmont. [interjections] Well, how often do I get to do that?

It's my pleasure to introduce to members of the Assembly, 47 students from Fairview junior high school in the constituency of Calgary-Egmont but with considerable representation from Calgary-Fish Creek. Accompanying the students today, who are, most of them, appropriately attired in Flames jerseys: Mr. Jorstad, the principal, Elaine Schmidt, Christine Laurell, Anne-Marie Delisle, and Ari Alander. I'd ask that they rise and receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD**Labour Relations Code**

MR. MARTIN: Mr. Speaker, to the Premier. The new Labour Relations Code among other things seeks to ban support picketing and the mounting of boycotts by trade unions or any other interested people, be it church people, be it grandmothers, grandfathers, students, or whatever. It's an unbelievable measure without precedent north of Mexico on this continent and unknown to any jurisdiction I'm aware of among western democracies. It affects liberties that people take for granted in a democratic society, such as freedom of expression and freedom of association. My question to the Premier: why is the government bringing in these draconian measures in this province today?

MR. GETTY: Mr. Speaker, the hon. member, since the Bill is before the House, should raise his points before the House, and perhaps he can convince the Legislature and there would be a change.

MR. MARTIN: Mr. Speaker, this is a serious matter, and it's not to be taken flippantly when you're taking people's rights away. This Premier is the Premier of the province; they're bringing in this Bill, and we want to get some answers. We've been contacting other labour experts and authorities from jurisdictions all over North America to find . . .

MR. SPEAKER: Question. Let's get on with the question.

MR. MARTIN: . . . a precedent, Mr. Speaker. We have found none. My question is to the Premier: what role model is he using in bringing in such a big hammer to interfere in the lives of individual citizens? Who else treats their citizens this way?

MR. GETTY: Mr. Speaker, again the hon. member is making a representation that would be something he should do when the Bill is before the House, and I would expect him to do it.

MR. MARTIN: Mr. Speaker, when this Bill is before the House, it may be too late. We're taking people's liberties away.

But my question is to the Attorney General. The chances are that the courts will save us from these draconian measures, because it probably violates section 2 of the Canadian Charter of Rights and Freedoms. My question is: will the Attorney General under the guise of common sense save everyone a lot of time and trouble by referring this provision to the courts under the Judicature Act before second reading debate?

MR. HORSMAN: Mr. Speaker, the hon. Leader of the Opposition is attempting to use question period to debate the principles of legislation. That's quite out of order, and it's not the intention of the government to refer legislation to courts before even having had second reading in this Legislature. That would be quite unusual.

MR. FOX: Who says we'll have second reading on it?

MR. HORSMAN: Well, the hon. Member for Vegreville says, "Who says we will have second reading?" If we have no second reading, then the law will not come into place. For the benefit of the hon. Member for Vegreville, before a law can become effective, it has to have three readings in the Legislature and... [interjections]

MR. SPEAKER: Thank you, hon. minister.

MR. FOX: Why are you afraid to answer the question? It was being asked.

MR. SPEAKER: When Vegreville quietens down, then his leader will have a chance for the last supplementary. Thank you.

MR. MARTIN: Mr. Speaker, this is a type, frankly, of arrogance and flippancy -- when we take people's rights away -- that people expect from this government.

But I want to come back to the Premier, Mr. Speaker, because clearly there's a possibility that this does violate the Charter of Rights. I want to have the Premier make the commitment here and now that the government will never abuse its power under section 33 of the Charter of Rights and Freedoms to ram this legislation through on the "notwithstanding" clause. Will he make that commitment to the people of Alberta today?

MR. GETTY: Mr. Speaker, the hon. leader of the NDP doesn't seem to understand the process in the Legislature. He's already told the House that when we deal with the Bill, it may be too late. Now, by what stretch of the imagination can that be a fact? Certainly the Bill is not going to be passed until we deal with it, so what would be too late about waiting to deal with it? I have no idea where he is getting his position from. He now wants me to make an assurance under the Constitution and the Charter of Rights about something that has not been passed. I just don't understand where he's coming from, but it's been typical of the question period lately.

MRS. HEWES: Mr. Speaker, the people of Canada are watch-

ing this action with great interest.

To the Premier: is the Premier now, then, planning on opting out of the Canadian Charter of Rights and Freedoms in order to protect section 81 of Bill 22?

MR. GETTY: Well, Mr. Speaker, I really dealt with it with the last supplementary from the leader of the NDP. But the Member for Edmonton-Gold Bar, I'd just say again, is really placing a hypothetical situation before the House. We don't deal with hypothetical situations; we deal with facts.

MR. SPEAKER: The Leader of the Opposition, second . . .

MR. MARTIN: Mr. Speaker, my second question . . .

MR. SPEAKER: Order please, hon. member. The designation is to whom?

MR. MARTIN: To the Member for Calgary-Mountain View, Mr. Speaker.

Blood Band Concerns

MR. HAWKESWORTH: Thank you, Mr. Speaker. My questions are to the Premier. Yesterday the Blood tribe chief and council sent a letter to the Premier in which they expressed their concern about an apparent unwillingness or inability of authorities to solve a number of tragic deaths of Blood tribe people. The letter specifically mentioned four cases in which foul play was suspected or determined as being the cause of death. Now, I'd like to ask the Premier this afternoon if he's taken any steps in response to this letter. In particular, could he give the Assembly a status update report on police investigations into the four cases mentioned in the letter?

MR. GETTY: Mr. Speaker, first of all, the letter has not been received by me, so I'm unable to respond to the hon. member's questions. I must say, though, it's disappointing when a letter is purportedly written to me and then is made public before I can even receive it.

MR. HAWKESWORTH: Mr. Speaker, I spoke with representatives of the band council this morning who assured me that it had been faxed to the Premier's office this morning.

The members of the tribe council have indicated that they're prepared to put up a \$5,000 reward for evidence leading to the conviction of those individuals responsible for those crimes. Would the Premier give assurance to the Assembly today, as evidence of this government's concern, that he would match that amount the band council has put up for those rewards?

MR. GETTY: Mr. Speaker, first of all, I'm going to receive and read the letter and respond to it. I will not take the letter through the hon. member. I think it's only fair, if a letter has been written to me, that I receive it, have a chance to assess it, and then respond to it.

MR. SPEAKER: A supplementary question.

MR. HAWKESWORTH: Thank you, Mr. Speaker. To the Premier. This year is the 10th anniversary of the report by Mr. Justice Kirby regarding Native People in the Administration of Justice in the Provincial Courts of Alberta. Can the Premier

assure this Assembly that all of the recommendations that were contained in that report 10 years ago have been implemented by the government?

MR. GETTY: Of course, Mr. Speaker, for much of that time I wasn't here, but I would say that that's something the hon. Attorney General would be dealing with and may wish to respond to or take it as notice.

MR. HAWKESWORTH: Mr. Speaker, in the letter to the Premier the band council has asked the Premier to set up a public inquiry because they still don't believe that the administration of justice is fair in the province. What evidence will it take to convince the Premier to agree to pursue this matter by setting up a public inquiry as asked for by the band council?

MR. GETTY: Well, Mr. Speaker, I understand the hon. member has his questions written out in advance, but he's got to be able to adjust a little bit from what he's practised. And that is that the letter has not been received, and therefore I can't respond to it. I will. Obviously, he makes it sound like it's an important issue, and I will certainly deal with it that way.

MR. SPEAKER: Thank you.

Member for Calgary-Buffalo, related to this letter which may or may not arrive.

MR. CHUMIR: Yeah. Well, I'm wondering whether the Attorney General has been made aware of this issue and whether he has done anything to investigate and ensure that an adequate review is being made of these unsolved deaths.

MR. HORSMAN: Mr. Speaker, I was handed a copy of the letter in question, which was copied to my office, as I came into question period today. That was the first notice I had that any letter had been mailed other than having read the story in today's *Calgary Herald* briefly as well as I returned to my office shortly before question period today. So I have not had an opportunity to read the letter, and until I do, I can't really respond effectively. I will, of course, give it serious consideration.

MR. R. SPEAKER: A supplementary to the Attorney General. In responding to the letter, would it be the intention of the Attorney General to meet with Chief Roy Fox directly to discuss the details of this matter?

MR. HORSMAN: Well, Mr. Speaker, once again I have no idea, not having had the chance to read the letter, whether or not such a meeting has been requested. I have noted from glancing at it that copies were sent to a large number of people, but until such time as I have had the chance to review that and ascertain whether a meeting has in fact been requested, I can't respond to the hon. member. But it will be given serious consideration in view of the serious nature of the allegations which are reported in the *Calgary Herald*, which obviously had a copy of the letter before the Premier.

Water Resources Management

MR. TAYLOR: Mr. Speaker, my question today is also to the Premier, welcoming his new \$20 million water supply assistance program. The public of Alberta cannot help but notice that this government amongst a few in Canada still allows the

use of over a million barrels a day of fresh water to be pumped down to chase out oil rather than use fossil water.

In addition, Mr. Speaker, under the Premier's direction this government has shut down one of the world's leading weather modification programs, one similar to one that operates and is publicly funded in North Dakota, Utah, California, and even such exotic places as Palm Springs. My question to the Premier in view of his government's own 1986 Alberta Research Council report on weather modification's conclusion -- and I read; it's very short:

The highlight of the recent program has been the success of the rain augmentation project. This aspect of the weather modification technology has been solidly demonstrated on a limited scale.

Could the Premier, then, tell the House whether or not he is now ready to reinstate this program?

MR. GETTY: Mr. Speaker, the responsibility for water in the province is the Minister of the Environment's and, to some extent in the weather modification for crops, the Minister of Agriculture's. I'd ask the Minister of the Environment to respond to the member.

MR. SPEAKER: First, the Chair is again concerned about repetitious questions which are almost the same, because having run through our friendly computer we have this matter, the same issue, being raised by the same member on March 30, again on April 13, certain ramifications again on April 18, and also again with April 19. So there's real concern from the Chair again about repetitious questions.

Supplementary question.

MR. TAYLOR: On a point of order, Mr. Speaker. We'll take that up afterwards. [interjection] Yeah, it's all right. May I go on now with the supplemental, or is the minister going to answer?

MR. SPEAKER: Let the minister answer.

The Associate Minister of Agriculture, briefly.

MRS. CRIPPS: Mr. Speaker, I might respond to the question. The reason the member continues to raise it is that he doesn't like the answers.

The answer, of course, is that there are in terms of the weather modification many opinions both within the scientific sector of this province and within the agricultural sector of the province about the pros and the cons of weather modification.

MR. TAYLOR: Mr. Speaker, supplementary. It's well known, the associate minister's idea of living in the 19th century.

Mr. Speaker, to the Premier again: was he aware that the 1986 Alberta Research Council's report on weather modification stated that at that time we employed 54 scientists, well known around the world, and exported business to Greece and to the Mediterranean involving \$10 million a year in income to these firms?

MR. GETTY: Mr. Speaker, the hon. member should know that the program was a pilot program. There was a great deal of work done on it. Then, as any pilot program must, it comes to an end and has to be assessed. Then once it is assessed, whether or not it should be carried out on a full-scale program -- that assessment is being done.

MR. TAYLOR: Mr. Speaker, possibly to you as well as to the Premier. Those earlier questions were on hail suppression; this is on water creation. They're two different things.

MR. SPEAKER: We're not arguing the point of order here. Will you please continue?

MR. TAYLOR: Well, I'll do that later; it's another point.

What I would like to ask the Premier, then: is he aware that without the weather modification camp creating snowpack in the mountains, Mr. Kowalski's dam won't be worth a damn next winter? Is he aware of that?

MR. GETTY: Well, Mr. Speaker, if you think of what he just said, that is really silly.

MR. TAYLOR: Mr. Speaker, there are none so blind who will not see.

The province needs this program now, Mr. Speaker. So will the Premier accept my challenge, and any other ministers he has, to find just one reputable scientist who says the weather modification program is not justified? Find me one. Would he accept that challenge?

MR. GETTY: Mr. Speaker, if there's one thing I don't need to do, it's spend my time trying to respond to challenges from the hon. leader of the Liberal Party. He's got plenty of challenges of his own.

MR. SPEAKER: Leader of the Representative caucus, followed by the Member for Wainwright, then Edmonton-Avonmore and Edmonton-Meadowlark.

Adoption of Native Children

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Social Services. Over the past week I've had more phone calls with regards to repatriation of native children back to the reserve. Could the minister indicate whether there has been some reconsideration of that policy during the last week or two?

MRS. OSTERMAN: Mr. Speaker, the permanency planning project that affects all children who are wards of the Department of Social Services goes on. I might add to the hon. member that it does not necessarily mean in the case of native children that those children will go back to the reserve.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could the minister indicate whether there has been any further consideration of a policy in the department with regards to this matter that leaves those children, native children who are now presently in non-native homes there, but looking at repatriation or a patriation program in terms of the future adoptions that may occur in terms of native children?

MRS. OSTERMAN: Mr. Speaker, I think it's important to note that in terms of the workers in the department -- and also the professionals who are hired to work with the children to assess the potentially best home for them are doing just that. They are doing their best, and in a number of instances there will be a recommendation that children will go to the native community if there are offers of permanent homes there for them. In other instances they will be placed in a non-native community, some-

times with foster parents who have indicated that they would like to adopt. But certainly the policy has to speak to the best interests of the child and not the various adults who have wishes to make a permanent home for that child.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister indicate whether any direction has gone to the Children's Guardian in terms of putting a greater priority on the child's needs -- the native child who is going to be uprooted in many instances from homes where they've lived since they were four or five months of age to now, where they're eight, 10, 11, years of age? Has there been any direction given by the minister to the Children's Guardian as to placing the needs of the child as a top priority?

MRS. OSTERMAN: Mr. Speaker, in all instances -- and it's certainly the direction from the minister and the deputy minister and senior staff -- the needs of the child must come first and foremost.

MR. SPEAKER: Supplementary, Edmonton-Highlands, followed by Edmonton-Gold Bar.

MS BARRETT: Thank you, Mr. Speaker. I understand the delicacy of this matter. I wonder if the minister would advise the Assembly whether or not she has ascertained through her department officials if the assumption that the children should be repatriated is in fact proceeding or if they're being consulted first; in other words, if the assumption is that they ought to be repatriated as opposed to consulting with the people and the foster parents first?

MRS. OSTERMAN: Mr. Speaker, again, the assumption must be to look for where there is an indication of support for a permanent home for the child. I think the hon. member has quite appropriately said that it is a very delicate situation, one that is often difficult to speak to because very personal information is brought forward about various families who are interested in the children, and that is not always able to be shared with the public.

MRS. HEWES: Mr. Speaker, yes, the Children's Guardian has certainly been involved in this process. Will the minister now move to place the Children's Guardian as an adjunct of the Ombudsman's office, in order that the guardian's actions on behalf of this child and other children could be objective and removed from Social Services' regulations?

MRS. OSTERMAN: Mr. Speaker, I think it is an unfair assumption on the hon. Member for Edmonton-Gold Bar's part to say that the Children's Guardian is not operating in an objective manner. Certainly their office has considerable resources, and they're independent resources in terms of information by professionals that they wish to hire to give them advice on any particular case.

Obviously, as well information comes forward from the department, from the workers who have worked with particular children, and foster parent families. At all times it has been my direction to make sure that a proper process is in place and that all parties are heard from. Where there is a disagreement, unfortunately, some of those cases may end up in court. But as well, Mr. Speaker, it is important to note that there has been an ongoing discussion about the various parties that relate to children

and responsibilities that they have, and we are accepting advice from many quarters in terms of how others see that process working best.

MR. SPEAKER: Member for Cypress-Redcliff, supplementary.

MR. HYLAND: Thank you, Mr. Speaker. Supplementary question to the minister. I wonder if the minister has considered any challenge of any legal action that's happened so far, to see if the best interest of the child has been carried forward after the judge has said that he agrees with the child welfare officer, or whatever the right title is? Have we challenged any of those findings to see if, indeed, all do agree that the best interest of the child is front and forward?

MRS. OSTERMAN: Well, Mr. Speaker, I'm not aware that in terms of where there has been a court decision, the department has appealed. I believe there are appeals possibly being launched by families who believe the courts have not rendered the best decision possible.

MR. SPEAKER: The Member for Wainwright, followed by Edmonton-Avonmore, Edmonton-Meadowlark.

Water Supply Assistance

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. I was very pleased to hear the Premier announce that there would be a water supply assistance program. Concerning the agriculture part of it, could the minister outline the changes that are being made in the dugout pumping program?

MR. ELZINGA: Mr. Speaker, I'm happy to underscore the hon. member's comments and indicate that the Premier did announce this morning a \$20 million program as it relates to water supplies within the province of Alberta. As the hon. member is probably aware, it does have a number of components, and I'm sure the hon. Minister of the Environment and the Minister of Transportation and Utilities would like to supplement mine, because the overall question relates to an agricultural component as it relates to the \$20 million program. Ours specifically is close to \$4 million, Mr. Speaker, whereby we are going to purchase an additional 10 units of pipes and pumping equipment so that farmers will have access to greater equipment usage. In addition to that, we are reducing the rental costs of that by some 50 percent, and we are implementing a dugout program for the construction of new dugouts and the rehabilitation of dugouts.

MR. SPEAKER: Supplementary information via supplementary questions, hon. minister. Thank you.

Member for Wainwright, supplementary.

MR. FISCHER: Thank you. I wonder if the minister could give us some indication of how much he expects this program to be used.

MR. ELZINGA: Mr. Speaker, our projections as it relates to the specific program under the Department of Agriculture indicate that there will be about 3,500 landowners participating in it. The projections are that much higher for the Department of the Environment, and I'm sure the Minister of the Environment would like to supplement that.

MR. SPEAKER: A question from the Member for Wainwright.

MS BARRETT: A point of order.

MR. SPEAKER: It's all right, hon. member; it's being looked after.

MR. FISCHER: Could the minister, then, tell us where and when we could get the information for the program and when it will be available?

MR. ELZINGA: Mr. Speaker, this is one item that was not included in the press release. But I am happy to share with all hon. members that district agriculturalists, the regional offices of Environment and transportation will have brochures and application forms hopefully next week. In the event not next week, the week thereafter at the very latest, but we are hoping to have it available next week. There are some retroactivity provisions within the program also, so that the greatest possible number of rural dwellers can apply and make use of this very worthwhile \$20 million program.

MR. SPEAKER: Final supplementary, Wainwright?
All right; Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. Appreciating the time limits of this important program, I would just like to ask the minister: in the case that individuals may desperately need some provisions of the program -- for example, drilling a new well or the farm water grant program -- but they're unable to afford it for a variety of obvious economic . . .

MR. SPEAKER: Question please.

MR. FOX: . . . reasons, is the minister prepared to be flexible in considering cases of undue hardship?

MR. ELZINGA: Mr. Speaker, if I can use the words of the hon. Minister of the Environment when we were discussing and putting this program together, we are going to exercise the greatest flexibility possible to make sure that we are as helpful as we possibly can be. The hon. member is aware that there are also provisions under the prairie farm rehabilitation assistance from the federal government which can in some cases supplement our program. It's a very generous program, acknowledging the water shortages that we are facing.

MR. TAYLOR: Supplementary to the minister, Mr. Speaker. Is this \$20 million budget transferred from another part of his budget, or is this new money? In other words, where did you get the money? Did you cut one program back, or is this new money?

MR. ELZINGA: Mr. Speaker, if I can reinforce what the Premier indicated this morning when he announced the program, whereby he indicated that this is \$20 million of new money, we are going to use that money from our existing budgets, but as we use that money, we will be coming forward to the Provincial Treasurer for new money. The \$20 million is new money.

Maintenance Orders Enforcement

MS LAING: Mr. Speaker, my question is to the Attorney

General. The Attorney General has stated in a letter dated April 6, 1988:

In the month of February 1988 the Maintenance Enforcement Program successfully collected on 42.4 % of all registered flies. A file is considered to be a successful collection when some monies are recovered.

Will the minister advise whether or not the number of cases in which all moneys have been collected -- that is, the number of cases that are not in arrears -- is less than 15 percent, and if not, what is the percentage?

MR. HORSMAN: Mr. Speaker, that question would properly be on the Order Paper for the type of details that are requested. However, I can advise that as of the end of March of this year the total percentage collected on registered files was 46.1 percent. The total percentage collected on automatically registered orders as of January 1, 1987, totaled 88.8 percent. There are substantial amounts being collected on the automatically registered orders. Those are a somewhat smaller percentage than I may have indicated yesterday but somewhat higher than I had indicated in my estimates remarks earlier in the session.

MS LAING: Mr. Speaker, I am aware of a case in which two NSF cheques were written -- the third was not NSF -- and in which the maintenance enforcement branch indicated that it would not take enforcement action, as the debtor had demonstrated a willingness to co-operate. In view of the fact that two payments are outstanding, does the minister really consider this maintenance enforcement?

MR. HORSMAN: Mr. Speaker, there were as of January 31 of this year 21,783 files registered with the maintenance enforcement program. New files are being registered on the average each month at the rate of 600 per month. It would be impossible for me to know the details of each of those 21,000 claims, which is obviously what the hon. Member for Edmonton-Avonmore expects me to do. I regret that I cannot do that.

However, there is a procedure available for efforts to enforce the orders, and the staff is working very hard on this program, which is going now into its third year of operation, which is increasingly effective, which is unique in Canada, and which is doing a great deal. For example, I can report that in the month of January of this year, \$2 million was collected, of which \$530,000 was collected on behalf of the Crown by way of recovery. From a year-to-year date, from April of '87 to January of '88, over \$162 million was collected. It's a very major program. All hon. members have had, I'm sure, individual cases referred to them. When they come to the attention of my office or the maintenance enforcement office, obviously, every effort will be made.

But the hon. members -- if we are going to come in and ask to find out the details of each of those files, it's just impossible for me to respond. I will be happy to meet with and discuss individual files with individual MLAs, but I can't do it in question period the way the hon. member seeks the information.

MS LAING: Mr. Speaker, it is the policy and the discretion of workers that are under question.

I would ask the minister about another policy, and that is the rationale for stopping the monitoring of payments when a debtor applies to the courts to have the payments varied. Should the payments not be enforced until the court determines the new amount?

MR. HORSMAN: A debtor, of course, may file for variation of an application, which may alter the order, and obtain a stay in the course of the hearing of the application for alteration. That is within the discretion of the courts, and it would seem to me improper not to permit that to occur. At the same time, as I indicated to the hon. member yesterday, it would be my desire to have these matters dealt with as quickly and expeditiously as possible in order that maintenance orders be enforced. We have, in fact, in place in Alberta the very best maintenance enforcement program in existence anywhere in Canada today. [interjection] Well, the hon. Member for Calgary-Mountain View as usual makes loud noises. He doesn't like the answers when I give them. The fact of the matter is, Mr. Speaker . . . [interjection] And the hon. leader of the Liberal Party as usual is starting his loud noises as well. The hon. members of the opposition don't like hearing the facts, and the fact is that we have the best maintenance program in Canada.

MR. SPEAKER: Final supplementary.

MS LAING: Mr. Speaker, I was not talking about cases in which stays had been granted.

MR. SPEAKER: Final supplementary, please.

MS LAING: The letter from the Attorney General also states that 350 to 400 NSF cheques are received every month and that creditors are not notified, as it is not considered cost-effective. Does the minister really think it's okay that creditors are kept in the dark about the status of their file?

MR. HORSMAN: Mr. Speaker, every effort is made to keep all parties involved in these matters fully apprised of the situation. This is a program unique; it is working to the greatest possible effect. Obviously, there will be problems associated with individual files; nothing is ever perfect in society. We are doing our very best, as are the maintenance enforcement officers.

But I repeat what I said before, and furthermore I can point out this: we make available to all other provinces information on how our program is working, and we seek their assistance on a reciprocal basis in order to obtain the most effective method of dealing with these cases when people move from province to province. I only regret that the province of Manitoba refuses to share information with the government of Alberta in this whole process. Perhaps the . . .

MR. SPEAKER: Westlock-Sturgeon, followed by Lethbridge-West. [interjection] All right; you waived your position then.

Lethbridge-West.

MR. GOGO: Thank you, Mr. Speaker. A supplementary to the hon. Attorney General. Does the hon. Attorney General have any studies that indicate there is a correlation between the difficulties with maintenance enforcement program payments and the difficulties experienced by access in accordance with court orders by noncustodial parents?

MR. HORSMAN: Mr. Speaker, it's not necessary to have any studies to know that in many cases this is an issue that relates to the access of the other parent to the children in custody matters. I can say from years of experience in practice that it's one of the most difficult and unfortunate results of disputes between parents as to the custody of children that leads to the deprivation of

those children, and I regret very much that that happens. Unfortunately, it is a fact of life, and if I could change human nature, I would be only too happy to do it. But the hon. member is quite correct that many of the cases of refusal to pay in maintenance cases come because of the refusal of access by the custodial parent to the noncustodial parent. It is a regrettable situation. Fortunately, it doesn't occur in all cases, but in those cases where it does, the person that suffers is the child, and that's the regrettable part of it.

MR. SPEAKER: Thank you.
No, you waived your position.

MR. TAYLOR: Mr. Speaker...

MR. SPEAKER: You're out of order, hon. member. The Chair had recognized the hon. member. The hon. member has passed -- said to Lethbridge-West; therefore, that member speaks. So we're now on to the next issue.

MR. TAYLOR: Mr. Speaker, point of order.

MR. SPEAKER: Order please, hon. member.

MR. TAYLOR: Jesus you're [inaudible].

MR. SPEAKER: There will be also another one. Thank you very much.
Edmonton-Meadowlark, please.

MR. MITCHELL: Thank you, Mr. Speaker.

MR. TAYLOR: What's the matter with the guy today?

MR. MITCHELL: Mr. Speaker, on June 30...

MR. SPEAKER: Excuse me, hon. member.
Would you care to withdraw your comment?

MR. TAYLOR: Did you just ask me for my opinion, Mr. Speaker?

MR. SPEAKER: I asked you to withdraw your remark.

MR. TAYLOR: Yeah. I said, "What is the matter with the guy today?" to the man down by...

MR. SPEAKER: Would you like to withdraw?

SOME HON. MEMBERS: Withdraw.

MR. TAYLOR: I don't think that's a withdrawal, Mr. Speaker.

MR. SPEAKER: Thank you.
Edmonton-Meadowlark, please.

MR. MITCHELL: Mr. Speaker, I wonder if I can ask a supplemental of the minister on that previous set of questions before I proceed with my complete set?

MR. SPEAKER: No.

MR. MITCHELL: That's all right, thank you.

Federal Issues

MR. MITCHELL: Mr. Speaker, on June 30 the privately run Park-N-Ride service at Edmonton's International Airport will be shut down by the federal government. This company employs 25 Albertans and offers an excellent and economic service to the public. My question is to the Premier. Will his government be intervening with the federal government on behalf of this small business enterprise?

MR. GETTY: Mr. Speaker, I haven't had it drawn to my attention. If the hon. member has, I'll see if there's anything we could do. I believe it is a matter for the federal government, but if there's something we could do, we'll see.

I must say, Mr. Speaker, it's interesting to know the urgent matters that are now coming before the House.

MR. MITCHELL: So the Premier doesn't believe that the livelihood of a small business entrepreneur in Alberta is urgent. Twenty-five employees and taxpayers have to approach the government for help.

The Premier said that it was a federal responsibility. Why would this government use that kind of ruse to not intervene in this case when it so consistently intervenes on behalf of large businesses?

MR. GETTY: That's not what I said, Mr. Speaker.

MR. MITCHELL: I wonder if a major corporation was having a problem, if the government would have to wait to be approached. How big does a business have to be before this government will represent its interests?

MR. GETTY: Again, Mr. Speaker, the hon. member didn't listen to my answer. He may have all of his supplementaries written out in advance and ignore the replies that he gets, but that was not what I answered to his initial question.

MR. MITCHELL: The Premier continues to diminish himself rather than diminishing the issue by responding in that manner.

This is a very, very important issue. It's the tip of the iceberg. Could the Premier please tell us when his government will start making small business a priority, at least as much a priority as big business?

MR. GETTY: Mr. Speaker, we have had this sort of debate during question period, the hon. member and I, in the past, and I pointed out to him that the government supports small business in the province extremely well. We had at one point a \$1 billion program for small business of long-term, fixed rate financing for them. We have the small business incubator programs; we have the Alberta Opportunity Company; there is the Vencap financing; we have the change in the... [interjections]

I guess, Mr. Speaker, they asked the question, but they really don't like to hear the answer. And if we're talking about diminished things, that's a sensitive area for the Member for Edmonton-Meadowlark.

MR. SPEAKER: Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'm pleased to see the Premier's born-again willingness to tackle the federal government on issues that hurt average Albertans.

That being the case, I wonder if he will now take up the cause of the 180 rural communities and their citizens in Alberta that are losing their post offices because of his cousins in Ottawa.

MR. GETTY: Any review of the *Hansard* would show, Mr. Speaker, that question has been dealt with at least two or three times already in the House.

Water Supply Assistance (continued)

MR. MUSGROVE: Mr. Speaker, my questions are also to do with the water supply assistance program that was announced this morning. My first question is to the Minister of Transportation and Utilities, and it has to do with the water conveyance facilities assistance. In some cases in rural Alberta water conveyance can only be done by truck. I wonder if this would include some assistance to people to truck water to fill dugouts.

MR. ADAIR: Mr. Speaker, the program that we have under Transportation and Utilities is primarily a conveyance by way of water line. But I might ask my colleague the hon. Minister of the Environment to cover the point of trucking water where trucking water may be the only route to go. If there's anything else I can respond to in the sense of the pipeline program, which is an enhancement of the existing program that is in place to assist where water is found, either by way of drilling or whatever the case may be, transporting that water to the ranchers and to the farmers of the area . . .

MR. SPEAKER: Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Speaker. It's indeed a pleasure to have an opportunity to respond to some of these questions, but the direct response to the Member for Bow Valley's question is yes.

MR. SPEAKER: Supplementary.

MR. MUSGROVE: Thank you. The Minister of Forestry, Lands and Wildlife is not here, so I will direct this question to the Minister of Agriculture. I see that they have a program for drilling wells in grazing reserves. Will this also include provincially owned community pastures?

MR. ELZINGA: Mr. Speaker, the program that is directly under forestry will relate directly to grazing reserves. Our other programs are hopefully going to be applicable to grazing leases where it is on public lands, because as the hon. member is aware, there is a difference in the administrative levels within the reserves and the leases.

MR. MUSGROVE: A further supplementary, Mr. Speaker. I was wondering: is there a sunset clause to this program? Is it a one-year program, or is the program until it rains, or is it a program that goes on from now . . .

MR. ELZINGA: Mr. Speaker, it varies with the various components under the program. There's five specific components. Some are for immediate use; some are for long-term use. It is going to last for a period of three years with some components; other components are only in existence for a year. But I am

more than happy to send the hon. member -- we are putting together a pamphlet as it relates to the different components within the program itself.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to complete this series of questions and to also allow the Attorney General to supplement information given earlier?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

Supplementary: Vegreville, followed by Clover Bar, followed by Westlock-Sturgeon.

MR. FOX: Thank you, Mr. Speaker. To the Minister of Agriculture: given that there's still a very good possibility that a number of livestock producers won't be able to put their cattle out on pasture because of the prolonged drought, in the near future would the minister reconsider my suggestion that he reinstate the feed freight assistance program, at least until we can be assured that pasture is available for livestock in the province?

MR. ELZINGA: Mr. Speaker, this is part of the terms of reference of the committee that the hon. Premier established under the chairmanship of the Minister of the Environment, whereby we are mandated to examine on an ongoing basis various programs and facilities whereby we might accommodate, in the event that it's necessary, further programs.

MR. SPEAKER: Thank you.
Clover Bar, Westlock-Sturgeon.

DR. BUCK: Mr. Speaker, I'd like to ask a supplementary question to the Minister of the Environment, then. I'd like to say to the Premier that every time we've gone through this exercise, the politicians somehow or other have made it rain. So let's hope it works this time.

But my question to the Minister of the Environment: will the permit system be waived for farmers who have to go to, say, rivers or lakes? Because presently they have to have a permit. What kind of a system is in place to look after that situation?

MR. KOWALSKI: Mr. Speaker, it was on Tuesday that the Premier announced the creation of this new water action committee, and it was on Tuesday that it started to rain in Barrhead, hon. member, so I appreciate that endorsement on your part very, very much.

But in direct response to the hon. member's question, the answer is that there will be a reduced waiting period, and we will eliminate a fair amount of the paperwork that will have to go into it, to speed up the process as quickly as possible, recognizing the concern. But at the same time, we also have to be aware that water is not a limitless supply in our province, so if there were to be large numbers of people attempting to access the same water supply, one would have to manage that as well.

MR. TAYLOR: Mr. Speaker, a supplementary. If it rains enough, we could find out whether the minister could walk on it.

I would like to know whether or not the water program would apply to acreages and to recreation areas like golf courses out in the rural areas.

MR. KOWALSKI: Mr. Speaker, under the water supply response program that the Premier announced this morning, there's allocation there for provisions for wells to be drilled for upwards of a volume of 6,000. Included in the list of eligible people in addition to farmers and ranchers will be acreage owners. I think that's an extremely important question that the Member for Westlock-Sturgeon raised today, and the information is as important as well. Because there are a fair number of citizens in rural Alberta who would not necessarily be gainfully employed in agriculture but do live in rural Alberta and do not have access to regulated water supplies -- as an example, the people who live in Edmonton or Calgary. So that bit of information I think will be welcome news to them as well, in terms of the depleting water supplies.

In the event of golf courses I would suspect that I would want to be in a position to ensure that life does exist in this province, and golf courses do play a very important spot in our society to attract animals, insects, and the like. That is, I think, a statement that would I want to make very clear: that should there be publicly owned and perhaps even some privately funded golf courses that would want to make a petition to us, I think we would want to be as flexible as possible in ensuring that we protect life in this province.

MR. SPEAKER: The Chair recognizes the Attorney General with respect to questions from Edmonton-Avonmore.

Maintenance Orders Enforcement (continued)

MR. HORSMAN: Mr. Speaker, I want to supplement I think it was the third question raised today by the Member for Edmonton-Avonmore and point out that with respect to applications to vary maintenance orders, if an individual applies to the courts to have an order varied, it does not result in a cessation of collecting ongoing maintenance payments; those will still be enforced. It is only the arrears portion that is not collected. Ongoing maintenance enforcement still continues during the course of a hearing as to whether or not an order should be varied. I think that's important information to have for the Assembly.

MS LAING: Mr. Speaker, my information from many women who have been struggling with the court system is that in fact the payment is not enforced. So I would ask the minister if he would be willing to go back to the people in maintenance enforcement to be sure that they are not acting on their own discretion by not continuing to enforce the payment.

MR. HORSMAN: Mr. Speaker, I have told the hon. member and members of the Assembly what the policy is, and the policy will be followed.

MR. SPEAKER: The Chair understands there are some points of order. Edmonton-Highlands, followed by Westlock-Sturgeon.

MS BARRETT: Mr. Speaker, my point of order has to do with routine Orders of the Day in the Assembly.

I realize the announcement today with respect to the drought relief program as administered by several different departments is extremely important, and I have no objection to information

being discussed in the Assembly on this matter or any other matter. I do note, however, in the last year that there has been a remarkable absence of ministerial statements in the Assembly, and instead issues that would ordinarily have come through that particular channel are being announced outside of the House, over which I have no objection but the result of which is that questions are now being raised by government members of the Assembly with respect to those what would otherwise be ministerial announcements. [interjections]

MR. SPEAKER: Order please.

MR. FOX: Yeah, don't turn this into an Ottawa, you guys.

MR. SPEAKER: Order. Vegreville as well as everybody else.

MS BARRETT: Mr. Speaker, my point of objection is that the parliamentary tradition of question period is that it is meant to be given overwhelmingly to the opposition. [interjections] Yes, that is the tradition, despite the outcry from the government backbenchers.

While there is no objection from my perspective to any member, government included, asking questions in the Oral Question Period, it does seem to me that two questions on the same matter from the same caucus, which has direct access on a daily basis to cabinet, is in fact stretching the point.

So I conclude my point of order, Mr. Speaker, to remind the members that I am not talking about the importance of the individual issue today, which is very important, as are most of the issues, but to point out that there is another mechanism whereby that information can be transmitted to the Assembly and for which no definitive time lines are applied historically, and that is under Ministerial Statements.

Thank you, Mr. Speaker.

MR. YOUNG: Very briefly, Mr. Speaker, we ought to be reminded that the first two questions of the question period are given over to the Leader of the Opposition -- first two main questions to the Leader of the Opposition. The third and fourth questions...

MR. SPEAKER: With due respect, Government House Leader, the Chair is unable to hear some of the comments because of some of the noise that is coming from the Chamber. So with due respect I would ask that the back chat just be cut out so we can get on with the points of order to be dealt with. Thank you.

Government House Leader.

MR. YOUNG: Well, Mr. Speaker, my point is this. The first four main questions in the question period are, as it is now, given over to the opposition. Nowhere in the rules does it say that the question period is totally to be dedicated to members of the opposition. In fact, it is an opportunity for any member of the Assembly other than those members of Executive Council to raise questions, and they can raise a variety of questions covered under section 359 in *Beauchesne*. I think it should be the privilege of every member to do that.

MR. ELZINGA: Just one quick addition, Mr. Speaker, to the point of order raised by the hon. Member for Edmonton-Highlands. I can understand her sensitivity, but let me indicate my appreciation to members on this side for asking agriculture questions, because there's a lack of concern from the New

Democratic Party. [interjections]

MR. SPEAKER: Sit down, thank you. I'm sorry, hon. member. I can't recognize you yet.

The Chair will now recognize Edmonton-Strathcona.

MR. WRIGHT: I'm obliged. Mr. Speaker. I simply wish to say that surely it's an abuse of the routine to allow ministerial statements, once it's clear that's what they are, under guise of answering questions.

MR. SPEAKER: Thank you.

First, the Chair would note that no one who contributed to the discussion with this purported point of order bothered to give a citation out of either *Erskine May* or *Beauchesne* or Standing Orders. Therefore, the matter is treated as a complaint amongst members.

The Chair would also point out that there was something else raised in the comments by Edmonton-Highlands. The Chair agrees that there has indeed been fewer and fewer ministerial statements, but that has been the prerogative of the government to act upon or not act upon.

With regard to the questions as raised today, Bow Valley was one that dealt with it, and the other member -- I forget at the moment -- Wainwright, together with other members of the House. Vegreville and Westlock-Sturgeon came in on supplementaries, and again Westlock-Sturgeon, second supplementary; Vegreville, second supplementary; and Clover Bar with a supplementary. In each case the Chair was listening to hear what the variation was with regard, and there were no repetitious questions raised even though the issue was the same. A shaking of the head. Hon. member, perhaps we could peruse *Hansard*. For example, with Bow Valley the first question dealt with trucking of water, the second one was with regard to grazing reserves, and the third one was with regard to a sunset clause. So there were various aspects of the issue being dealt with.

One other comment was made with regard to the amount of time various political party members have in question period. The Chair has done a quick computation with the latest stats we have. As of April 15 there were 558 questions asked by opposition parties and 100 by government members. So I think that is indeed within proportion.

The Chair now recognizes Westlock-Sturgeon.

MR. TAYLOR: My point of order, Mr. Speaker, is also with regard to questions, although I feel, in all due respect to your first statement here, that the point being made was not whether the questions were repetitive but whether the government was just not using it as a method of not only trying to take up time with the opposition members so they couldn't ask questions, but secondly, they ask puffball questions to blow up the reputation of the minister.

Now, with respect to my own point on questions, Mr. Speaker, and in all due respect, I've noticed in the last while -- this is under 359 in *Beauchesne*. I believe, with all due respect, that you, Mr. Speaker, or maybe your advisers are not following the rules the way I would interpret them anyhow. I respectfully suggest that first of all, right at the beginning paragraph it says:

A brief question seeking information... which falls within the administrative responsibility... of the specific Minister to whom it is addressed...

"Of the specific Minister to whom it is addressed" would sug-

gest to me that every question is a different one if it's to a different specific minister. In other words, if I asked the same question to all seven ministers, it's seven questions. You should not be able to say that, sorry, that question was asked from McGillicuddy last month and you can't ask it of Mrs. McGillicuddy this month. In other words, "specific minister" is the operative word.

The second thing, Mr. Speaker, if I may refer to 359(8), it also says:

A question that has previously been answered ought not to be asked again.

"Has previously been answered." Now, some of the frivolous remarks of particularly the Premier, when he lacks any other thing to come up with, or of some of the other ministers cannot be considered an answer in any way, shape, or form. So I would think, Mr. Speaker, that one of the cases -- it's not whether you have asked the question again; it is whether the response you had would be considered an answer. And I suggest the way 359(8) reads is very particular. If it had just said that you couldn't ask a question again, they would have said that, but they said, "A question that has previously been answered." So the answer must have something to do with it. A grunt, a fancy answer, or a nod is just not an answer, Mr. Speaker. I think it's up to you to look at it.

Mr. Speaker, if I may make a final comment, I'm sorry about the mixup where you denied me the right to ask the supp, but I had every reason to believe when I stood at the same time as the hon. Member for Lethbridge-West that you had chosen to honour age and the lack of beauty before me at the same time. So I naturally sat down. I'm sorry; I'll turn up my hearing aid a little louder next time, Mr. Speaker.

MR. SPEAKER: The first purported point of order was with respect to repetitious questions. The Chair is somewhat intrigued by the embroidery of the Member for Westlock-Sturgeon with regard to asking the same question of seven different departments on separate days. That is a rather interesting concept. The Chair was much more concerned about how the repetition was indeed happening with regard to at least the first question as raised by the Member for Westlock-Sturgeon, because very strangely similar questions were asked on March 30, April 13, April 18, and April 19. The Chair, however, in this regard will examine the *Hansard* very closely to see exactly how close the questions were indeed being raised. So it's under *Beauchesne*, citation 359(12). No, not subsection 12; sorry. Again, it's the repetition rule, and the Chair will again find that one and refer it back to the hon. member.

The second point of order was the matter of perhaps a misunderstanding between the Chair and the hon. member. At the time the hon. member rose, Lethbridge-West had stood at the same time. The Chair first recognized Westlock-Sturgeon, then mentioned that Lethbridge-West would follow in the order. The Member for Westlock-Sturgeon then said, "Go ahead," pointing across the Chamber to the Member for Lethbridge-West, at which time the Chair pointed to Westlock-Sturgeon and stated you would lose your position on the question. Now, whether that was heard or not is a difficulty for the two of us. But on the basis of the Chair having first recognized Westlock-Sturgeon, that was the time for you to stand, and it is not up to you or any other member of this House to give way to another member, especially during question period. That is the reason why that event transpired, and that will continue to be the practice if it arises again in the House.

There then was another exchange between the Chair and Westlock-Sturgeon, and another one transpired. One is indeed in the record of the House. One comment was made about the grumpiness of the Chair: what was the matter with the Chair today? The Chair is not at liberty to divulge what's happening in terms of my personal life to see whether I've got a grumpy face or not today. The Chair also thought that I heard Westlock-Sturgeon withdraw that remark.

However, in examination of the Blues from *Hansard*, we have another issue. Perhaps this could be clarified for the record, because the language is not what we want to have in the language of *Hansard* either. It was heard, and it has been duly recorded. I don't know if the hon. Member for Westlock-Sturgeon was engaged in prayer or not. Nevertheless, the member is now on the record as saying, "Jesus you're" something or other, perhaps chicken. The Chair is not chicken at any time. But perhaps the hon. member could just withdraw the comments from the record of the House, please.

MR. TAYLOR: Mr. Speaker, I know I said the word "Jesus," I'm afraid, but I don't recall anything else further, and I withdraw it.

MR. SPEAKER: Thank you, hon. member.

ORDERS OF THE DAY

MR. YOUNG: Mr. Speaker, I would move that all questions standing on the Order Paper stand and retain their positions, and also that motions for returns 152, 156, 164, 169, and 176 stand and retain their positions on the Order Paper.

[Motion carried]

MR. SPEAKER: The Chair has had an unusual request from the Member for Athabasca-Lac La Biche under Standing Order 40. Perhaps the member could stand and speak very briefly to the House on the matter?

MR. PIQUETTE: Thank you, Mr. Speaker. I have just received a phone call from the town of Lac La Biche indicating that the historically designated site, the Lac La Biche Inn, has been destroyed by fire, and it's a real sad day for such a catastrophe for the citizens of Lac La Biche and area. It had survived the great fires of 1919, and there was in the plans of the town of Lac La Biche and area to develop an interpretive centre around the whole area. I would like to have the House send a message of sympathy to the town of Lac La Biche and area for such a sad loss, so I would like the unanimous support of the House for this motion.

MR. SPEAKER: Do we have unanimous consent of the House to deal with the matter?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

MR. SPEAKER: Gained unanimously.

Perhaps a brief motion from Athabasca-Lac La Biche.

MR. PIQUETTE: Yes. I would like to move that we express to the town of Lac La Biche and area our deepest sympathy for the

loss of the Lac La Biche Inn as an historical resource site, and that we wish the citizens of Lac La Biche help in terms of perhaps reconstructing the site in the future. But I do believe we need to express our deep concern and sense of loss from this House to the citizens of Lac La Biche.

MR. SPEAKER: Call for the question. The motion, as the Chair understands it, is simply a matter of sending a letter of regret to the community. All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carried unanimously.

head: MOTIONS FOR RETURNS

157. Mr. Taylor moved that an order of the Assembly do issue for a return showing a copy of the loan guarantee agreement between the Alberta government and Ski Kananaskis Inc., submitted to the Minister of Recreation and Parks on February 11, 1988.

[Debate adjourned April 14: Mr. Strong speaking]

MR. SPEAKER: Member for St Albert.

MR. STRONG: Thank you, Mr. Speaker. It's a pleasure for me to stand and debate Motion 157.

Last week, when we were debating this, the Minister of Economic Development and Trade made a few comments in his opening remarks. One was:

We have made it a practice not to table in the Assembly commercially confidential documents.

Commercially confidential information will not be filed in the House. Mr. Speaker, we're not talking about commercial investments. We are talking about government loan guarantees, taxpayers' dollars used to underwrite people in the commercial sector, some of whom have an open door to the government of Alberta for loan guarantees. To by and move the discussion to a commercial venture I think is a cheap way of doing business for this government. I think many of the constituents in St Albert feel the same. The major problem is a question that we speak to on many occasions in this Assembly, and that is the issue of fairness and equity. This government was elected to represent all Albertans -- all Albertans equally, all Albertans with a sense of justice. Favoured individuals, specific individuals, specific corporations getting loan guarantees from this provincial Conservative government is not what I consider fair.

In the comments I made last day I stood in the Assembly and said that loan guarantees certainly are an economic tool to promote Alberta industry and to promote Albertans. But, Mr. Speaker, again, if this government is going to get involved in loan guarantees, use of public money, it owes it to the people of this province to disclose all financial dealings: with whom, how much, what rates, what the downside is, what personal loan guarantees are there -- all these things. The banks get those things. Does this government get them? That's the question. It's not a question of a commercial venture, commercial confidentiality; it's a question of taxpayers' dollars and Albertans knowing what their tax dollars are being used for.

[Mr. Deputy Speaker in the Chair]

We hear of loan guarantees to Peter Pocklington. Certainly if a vote were held across the province of Alberta, I think the majority of Albertans would vote against any government guarantees to that individual, not only because of the poor practice of labour relations he's had in the province of Alberta but certainly the poor practice with some of his failed companies that left many people on the hook. I sure wouldn't want to see this Alberta government left on the hook for \$67 million in loan guarantees. I wouldn't want to see this government on the hook for \$2 million as a loan guarantee to Ski Kananaskis Inc. Because I don't feel as a taxpayer, speaking on behalf of the taxpayers in Alberta and St. Albert, that we should be forced to just mildly accept this.

Mr. Speaker, again, it's demanded. It's demanded by the people in this province if we have, and this government has, a true commitment to honesty, integrity, and a commitment to the people of this province that they support open government and public access to information. That's demanded by Albertans; it's demanded, and should be demanded, by this Legislature.

I thank you.

MR. DEPUTY SPEAKER: Hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Like the other motions for returns on the Order Paper, this one is also, I believe, a question of accountability. It's an issue of accountability. I don't know whether this government believes they're accountable to the people they work for or not, but that's what we're asking by putting these motions on the Order Paper, and that's the question this government is answering by their decisions on how they're going to handle these motions on the Order Paper. They're going to answer the question: who are they working for, and who are they accountable to? Whose money is it that they're administering? Whose money are they putting at risk in entering into a loan guarantee? Is it the public of this province? Are they the ones they're acting on behalf of? If that's the case, if they're acting on behalf of the public of this province, why would they not be willing to make that agreement public? Are they afraid it won't hold up to public scrutiny. Is there something they can't tell the public about? Presumably it's on their behalf that they're doing all these things. If they're working on behalf of the public, why does the public not have the right to know?

Now, this minister or this government may decide they don't need to answer that question today. They may not. They may say, "No, we don't think the public has a right to know," not only on this but the other motions for returns as well. But sooner or later, Mr. Speaker, if the government refuses to answer those questions, there will be a day of accountability, and that day may be coming a lot sooner than they think.

Thank you.

MR. DEPUTY SPEAKER: Hon. Minister of Recreation and Parks.

MR. WEISS: Well, thank you, Mr. Speaker. I certainly welcome the opportunity to participate in the debate with regard to this motion. I've listened with intent to all hon. members and tried to recap in my mind, as well as review *Hansard* for previous comments and discussions related to it.

The reason I felt I should speak with regard to the issue, Mr. Speaker, is that in view of the fact that the loan agreement and loan guarantee was negotiated through the Department of Recreation and Parks, which I'm responsible for -- but of course the guarantee itself was handled through the Minister of Economic Development and Trade. I'd like to remind the Assembly of the Minister of Economic Development and Trade's comments when he referred to the press release of April 15, 1987, the details of which I believe were quite accurate and I still stand by that, and of course, I think, very much in detail, contrary to what some other hon. members have said. It refers to the \$2 million loan guarantee with Ski Kananaskis Inc. It was my intention at the time to publicly make that announcement as it related to the specific needs of the Olympic requirements, and as well so that all hon. members and the citizens of Alberta would be aware of Alberta's participation and overall involvement.

Now, if all the hon. members had read it clearly, Mr. Speaker, they would note that OCO, the organizing committee of the Olympics, contributed one-half of the total cost or close to around 50 percent. That meant that there was a \$2 million balance which is really not a cost to taxpayers but a good business decision, because the \$2 million was being undertaken to be repaid by Ski Kananaskis Inc., not the province of Alberta. So it not only saved the citizens of Alberta but was a wise investment. I say "saved" because at the same time it meant there was no capital outlay or dollars. I refer to that specifically, and I'd like to come back to no outlay of Alberta's dollars, because there was, of course, the opportunity to have a payback on the \$2 million balance.

Now, one of the hon. members earlier referred to the cost. The hon. Provincial Treasurer, Mr. Speaker, has advised the Assembly and all hon. members that a fee for service is charged for all loan guarantees and only advanced on the basis that there are sufficient assets by the individual applicant. Now, it should be pointed out to the Assembly -- and, as I said, I'd like to come back to this specific point, because I think the hon. Member for St. Albert alluded to guarantees with banks, and the hon. Member for Edmonton-Kingsway as well. Let's be clear about one issue, Mr. Speaker and all members of the Assembly: the province of Alberta owned the facilities and only leased them to the operator. Now, where in the world would you be able to go to any conventional financial institution -- and the hon. Member for Westlock-Sturgeon should know that very well, having been an astute businessman all his life -- go out to any financial institution and say, "Give me the money for something I want to put on somebody else's property." What would they say to you? -- to the hon. member. I've suggested the response would be that they would not consider it. So in doing that, what we did is work out what I felt was a good, fair, solid business decision that I stand on to this day.

MR. HAWKESWORTH: Well, produce the document.

MR. WEISS: I would love to come to that, to the hon. member that says "Produce the document."

So keeping in consideration that we own the facilities, we then put up a loan guarantee to allow a leasehold improvement to be built on our property. What we have here is a case of operator confidence. They were prepared and did accept an obligation for a leasehold improvement at a cost to them of some \$2 million and at no cost to the taxpayers.

Now, Mr. Speaker, to the hon. members' suggestions and remarks that they referred to about not disclosing and not being

available. Who are these principals? What are they doing? Is something secret? In conclusion, Mr. Speaker, if the hon. Member for Westlock-Sturgeon and all other members had done their research, he and others would have read the material filed by me previously as it related to Motion 154. In case they can't recall, it was a series of documents like this. This is one of the copies: Motion 154. That set of documents, Mr. Speaker, contained all articles and reference to the principals, the financial capabilities, all individuals: Schedule C, for example, one of the categories under 3.3, "Percentage of equity funding . . ."; "Proof of financial capability. . ." under article 3.3.C. under Schedule C of those documents. If they had researched the material, they'd have realized all the information and details were filed as to the principals and the details of the lease, plus the financial stability, as I've indicated.

Mr. Speaker, I suggest it is a complete waste of the members' and the Assembly's time to have to stand and defend a situation on which they clearly had all the facts and information beforehand. If they would have checked into it clearly, you understand, I'm sure they would not have wanted to waste our time today. In some cases it would have taken an opportunity to just sit down with myself, perhaps individually, to review it. I'd be prepared to give them as much information as possible.

But to the hon. member that says "owes it to this province," yes, this government recognizes what we owe to this province. That's why we intend to do so, to try and put back a little bit of economic return in development and diversification and to assist in both economic development and the potential for the recreation component side of it as well. But when the hon. member referred, Mr. Speaker, to the fact that banks divulge this information to the . . .

AN HON. MEMBER: We didn't say that.

MR. WEISS: The hon. Member for St. Albert did state that banks provide this information. I'm sure *Hansard* will have that recorded properly. If that information is so abundantly clear, I'd suggest to the hon. Member for St. Albert that he disclose what financial undertaking he makes, what interest he pays. I am sure he would want to do that for all hon. members across the way, but I'm not prepared to do that. I think that's personal information that should be and will be remaining on a confidential basis.

So I support the hon. Minister of Economic Development and Trade's recommendation to reject the motion and to encourage all hon. members to do so.

MR. McEACHERN: Mr. Speaker, I do not understand why the Minister of Recreation and Parks thinks he can throw a lot of other information at this Assembly and say, "That's good enough." The fact is that he was asked to produce the document and the document only, and there's no reason in the world why it shouldn't be produced, as he said himself.

He can talk about Motion 154 all he likes and all the other things that are there, but the contract once it's made should be a public contract because it's exactly tax dollars that we're talking about. And for him to sit there and wait till this discussion goes on for quite some time, as it did the other day, and then to stand up at the end of it and say, "Oh, that was a waste of time because it's already available," is not correct and not germane. Other information's available. The document itself evidently is still not available by his own words. And I will read the *Hansard* record very, very carefully. I did not hear him say that the document is available. If it was, he should have stood up at the

start of the debate and said: "We've already released it. Just come and I'll show you where it is." But he did not do that. He's waited for a long time, and now he's trying to cloud the issue by claiming that all other things are available but the document itself is not. That's not good enough. This is taxpayers' dollars. The contract is what we asked for, and that's what should be available.

MR. DEPUTY SPEAKER: Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yes. I also rise to object to the government lack of foresight here in terms of turning down of tabling the documents requested by the Member for Calgary-Forest L a w n . . .

AN HON. MEMBER: No, no. One fifty-seven: Taylor, Westlock-Sturgeon.

MR. PIQUETTE: Okay. I guess I'll pass on . . .

MR. DEPUTY SPEAKER: The comments by the Member for Westlock-Sturgeon will close debate on this item.

MR. TAYLOR: Thank you very much, Mr. Speaker. I thought for a minute I was going to have to close debate on a motion that I didn't think I'd presented.

Closing debate on this is the question of doing public business in the public eye. I know the hon. Minister for Recreation and Parks says that a bank wouldn't release it. Well, I would like to correct him. After all, Mr. Speaker, and to the minister, I have tried to pull a Pocklington a number of times and borrow money on the same collateral a couple of times. I haven't had as genial a lender as the government has been to Mr. Pocklington, but the bank has always followed the policy, or usually follows the policy, that if the borrower doesn't mind, they will release it. In other words, if you want to find out whether somebody you're going to do business with has already tied himself up too tightly with the first bank, he or she will usually ask that banker to open up the books and let him look at the guarantees. So if you look at the note or promissory note -- whatever it is -- you can see what's left, what risk you are taking.

So I don't think it's quite right to say that this is the same as a bank. In fact, if this were a bank that had guaranteed a loan, all we would need is the permission of Ski Kananaskis. However, in this thing, what I had gathered is that even if Ski Kananaskis were to say to us in the opposition that we can look at the guarantee, the government would still say no. Now, this added to the fact, Mr. Speaker, that yesterday was my first day in Public Accounts, I had a chance to examine the Auditor General on guarantees to a point, and what I did find out -- as his words were, I believe -- nearly every guarantee is different. Consequently, if every guarantee is different, if this government does not want to release it, obviously there may be some hooks and some roundabout clauses in there that even if the government had not spotted it, somebody in the opposition might, or I think the public itself would want to know what their contingent liability is down the road.

So I believe, Mr. Speaker, that in some ways as an opposition party leader, you don't know whether to complain about this or not, because there's nothing easier than to go out through the hustings in the next election and impute all sorts of weird and wonderful things signed up to these guarantees.

I would think, if I were in government, that one of the first things I'd want to do is let the fresh air of public scrutiny come in and look at these things and find out that there really isn't any fancy deal in the guarantee that allows them to go pollute the water or allows them to expand an area, allows them an option to buy more land or an option to give poor service at the hotels. In other words, all sorts of ideas can be conjured up in a guarantee. As the Auditor General well said, every one is different, and I think the government is bringing down on their own head a great deal of suspicion, a great deal of questioning in the minds of the public by not going ahead.

I have made my point now, Mr. Speaker, and if they will stubbornly stick to where they are going, all I can say is good grace. I feel a little bit like watching somebody go down a bobsled run for the first time. It's going to be interesting whether they can come out the other end under this policy or not.

[Motion lost]

162. On behalf of Mr. Hawkesworth, Ms Barrett moved that an order of the Assembly do issue for a return showing copies of all invoices received by the government from Kananaskis Alpine Resort Inc. for which the \$950,000 paid to that company out of the capital projects division of the Alberta Heritage Savings Trust Fund, as reported at page 10.4 of the public accounts, 1986-87, supplementary information volume, constituted payment in whole or in part.

MR. DEPUTY SPEAKER: Minister of Recreation and Parks.

MR. WEISS: Thank you, Mr. Speaker. I'll try and be very brief. With respect to Motion for a Return 162, the information on the payment to Kananaskis Alpine Resort has already been provided through the tabling of the agreement with Kananaskis Alpine Resort and through the public accounts, that they were required and subject to the perusal of the Auditor General and, as well, through the Financial Administration Act. So therefore, Mr. Speaker, they have been made public, and the provision of specific invoices related to such payments is not necessary. Therefore, the motion is rejected.

MR. McEACHERN: Mr. Speaker, it seems to me there's a difference between somebody's summary of the information analyzed and fed out to make things look good and the actual documents that indicate exactly what went on and what this government paid out. If the Member for Calgary-Mountain View believes he should see those documents, I think he should see them, and he should have that right to see them. After all, he is a Member of the Legislative Assembly of Alberta. We are talking about a public contract, spending government money, taxpayers' dollars, and there is no reason in the world to be secretive unless the government is trying to hide something.

Therefore, I suggest to the minister that he take the Member for Calgary-Mountain View and all the Assembly and all the people of Alberta into his confidence and say, "Here are the documents that prove those numbers." Because it's all very well to see summaries in public accounts and summaries somewhere else and analyses somewhere else and press releases here and there, but that's different than seeing the documentation that tells you exactly what the contracts were and exactly what went on. That's what's been asked for, and that's what should be forthcoming. There's no reason in the world to be secretive if

there's nothing to hide.

MR. YOUNG: Mr. Speaker, very briefly, there is a reason that I would like to put before the hon. member for not putting out invoices and that kind of detailed documentation. The fact is that it is important in the interests of taxpayers' money that in the obtaining of services to government there be a good market for those services. In other words, when government needs to purchase a service or some kind of product, there ought to be a willing market to bid for those services and to compete to provide that to government. What we're now being asked is to table all the detailed information which would show on behalf of those people who undertook to provide services and products to government at the lowest cost, their actual calculations and details of their contract. That's exactly what's being asked, hon. member.

Now, it's a question of opinion, I suppose. But I believe, on the part of government, that we need to conduct ourselves in a way that is fair to hon. members to assure that the money is well and wisely spent. We do that with the information that gets tabled every year with the auditors' reports and all the rest of it, and in Public Accounts. On the other hand, we have the obligation to make sure that people are willing to put forth their services, knowing that in so doing their position to compete effectively with other competitors is not compromised. I rest my case with that situation. I believe that in the interests of the taxpayers of this province, we should take the position my hon. colleague has put before the Assembly and refuse this request.

MR. DEPUTY SPEAKER: Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yes. I'm on the right motion now. Speaking on behalf of the Member for Calgary-Mountain View that the returns showing . . .

MR. DEPUTY SPEAKER: Order please. It's somewhat awkward to speak for the hon. Member for Calgary-Mountain View if the member is sitting in the House. The Chair is somewhat confused. Perhaps the hon. Member for Athabasca-Lac La Biche may speak for the Member for Athabasca-Lac La Biche.

MR. PIQUETTE: I guess the shock of the loss of a very important historical site in Lac La Biche is still deeply on my mind, but I am speaking on my behalf here on the motion.

One of the concerns I have as a member is that we are not party to the detail of what we have been given by members of the public; that it's very much a sweetheart deal between the resort company that built Kananaskis Alpine Resort Inc. What we're trying to get is all the information, and the supplementary information as well, as to whether this \$950,000 paid out to that company constitutes payment in part or in whole. In terms of what we are asking for, we want to have the complete details in terms of what is the private sector's share in the project and how much has been paid by government. By having at least the invoices and the records given to the House, we would be able to ascertain on behalf of the taxpayers of Alberta information which constitutes, really, our involvement as taxpayers in that resort and how much of it has come from the private sector.

The information provided by the minister is totally inadequate to be able to know how much of that fund we have provided to the company is in fact accountable to the public of Alberta and how much the company is actually accountable in

terms of its own expenditures. So I would hope the minister reconsiders that decision.

MR. DEPUTY SPEAKER: May the hon. member close debate on this motion?

SOME HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Oh, hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I can understand the confusion, given that I moved the motion on behalf of my colleague, who is now back in the House. But thank you for the opportunity to make a few comments on this motion for a return.

I'm afraid that the comments by the Government House Leader are perhaps just about the most scary I've ever heard in the Assembly, Mr. Speaker. What he has argued is that the natural marketplace might end up being distorted if the real world knew just what the government was spending its money on. I can assure the hon. minister that that's exactly the mentality that has led the Pentagon in the United States into driving the U.S. budget deficit literally through the roof when it comes to their own expenditures on, particularly, military production. We have seen examples where one megacorporation is charging out hammers at a rate that they ought to be not just gold-plated, sir; they ought to be gold-filled, at the rate they get charged out. This has been the source of massive scandal in Washington, and it is the reason the shake-ups have occurred not only within the Pentagon but also within the White House.

There's a screaming need for accountability in the province, just as there was in the United States. The American people have decided to put the skids to certain types of military expenditures because they now understand what sort of systematic rip-off has been associated with cost-plus and with, you know, "I'll go and buy the stuff wholesale, and sell it to you retail -- ha-ha" mentality that has been governing the relationship between certain megacorporations and the Pentagon.

Now, I don't want to make the case that we're at that level, Mr. Speaker. I want to make the case that that's the very reason you want that information, and that the Government House Leader's arguments, in fact, lead to an increased distortion of expenditure, both on behalf of supplier and on behalf of the spender -- in this instance the government. If one assumes that the private enterprise marketplace cannot operate on a system of honesty and on a system of knowing all the information in which it circulates and activates, we have in front of us, then, a very scary picture of our economic environment.

What you need to know in order to be truly competitive is exactly where prior bids stood, how the money was expended, whether or not it was expended on an adequate basis or on a frivolous basis, or if indeed there was some padding. I don't want to suggest in this instance there's been any padding, but such practices have occurred in the past, and that's exactly what we want to protect ourselves against, Mr. Speaker. That's why the production of invoices themselves can be really important, not only in terms of accountability on a given instance but particularly to prevent any bidders to any tender from perhaps operating in collusion to maintain a certain price floor, for instance, for their bids. That's what keeps the system honest, Mr. Speaker, and I hear government members, particularly the front benches, always extolling this and that virtue that they pretend

they have a monopoly on. Well, I'd like to indicate that there's one area that nobody has a monopoly on, one area where everybody should be working a lot harder to make sure that we have a shared monopoly, and that is honesty, a value that seems to have been eroded substantially over the course of the last few years, Mr. Speaker.

MR. DEPUTY SPEAKER: Are you ready for the question?

SOME HON. MEMBERS: Question.

[Mr. McEachern rose]

MR. DEPUTY SPEAKER: Sony, hon. member. Order please. To the Chair's recollection, the Member for Edmonton-Kingsway has already spoken.

MR. McEACHERN: To the other motion.

MR. DEPUTY SPEAKER: Unless the Chair is in error, the Member for Edmonton-Kingsway has already spoken, and if a member speaks, or a member speaks on behalf of another member and then speaks a second time, the debate is closed. Therefore, the question is being called.

[Motion lost]

163. Mr. Hawkesworth moved that an order of the Assembly do issue for a return showing copies of all invoices received by the government from LPI Development Corp. Ltd. for which the \$463,079 paid to that company by the Department of Public Works, Supply and Services, as reported at page 7.119 of the public accounts 1986-87, supplementary information volume, constituted payment in whole or in part.

MR. HAWKESWORTH: Again, Mr. Speaker, we are putting forward this motion in an attempt to determine for what purpose this money was paid to this company. It would be incumbent, I believe, on the government to provide that information to the Assembly and to the public to explain what it was that they paid that money for, given, in particular, a concern that has been expressed, certainly in the past, that this company was a key component to a deal in assembling land in downtown Edmonton on behalf of a development company for which Public Works, Supply and Services presumably signed a lease, a lease which last year in this Assembly this minister and this government refused to make public.

Now, at this point it's only supposition, I suppose, that this figure of \$463,000 was germane to that particular deal. Perhaps it was for some other purpose that this money was paid, some other lease, some other land deal. I don't know. But certainly I think it's not beyond the realm of reasonableness to make that assumption. Nevertheless, seeing that amount having been paid by the government to that company, it's curiosity on my part to determine whether that is the case, whether it was for that purpose or not, or for some other purpose or some other service.

So it is on the basis of that Mr. Speaker, that I move this motion of the Assembly.

MR. ISLEY: Mr. Speaker, in listening to the comments of the hon. Member for Calgary-Mountain View, I'm uncertain as to whether he's inquiring about the Olympia & York project or whether he's talking about Motion for a Return 163. I think

anyone who analyzes motions for returns 162 and 163 realizes that they're virtually asking for the same thing, so I don't think it'll be of any shock to the hon. member when I let him know that we are rejecting the motion. I think the hon. Minister of Recreation and Parks quite adequately explained the public accounts reporting process, the Auditor General scrutiny and reporting process. I think the hon. Government House Leader added to that the respect that this government has for commercial confidentiality. I think it's also a well-known fact that we lease properties from quite a number of companies, this one included.

Thank you.

MR. McEACHERN: Mr. Speaker, one cannot just let that go by without a reply. The hon. minister referred to the arguments of the House leader explaining about the concern for confidentiality with businesses. If a company is doing business with another company, then that's their business and they can make it public or not. But when a company makes a bid -- if there is a bid, in fact, put forward -- and gets a contract with the government, which is expending taxpayers' dollars, then he does not have the right of that confidentiality.

I'm sure, as a matter of fact, that the companies are not the ones that are the problem in terms of whether or not we get the information. I'm sure that the problem is with the government; it's the government that wants to be secretive. Why, I'm not quite sure. It makes me think they have something to hide. If they didn't have something to hide, it seems to me they would make it public.

If there is a tender for a particular contract, then I don't really want to know all the other failed bids. Nobody's asking for that. And nobody's asking what company's related to who and why and wherefore, and all the arguments and debates that go on or the behind closed doors decisions of the minister in deciding which one he chooses. But when he has chosen -- when he has chosen -- which company to make the contract with, and when he sits down and negotiates the details and lays them out and there is a document that outlines those details, then those details should be made public. There's no reason for all the other stuff around it to be made public, and I understand that. But the contract itself: the hard dollars and cents; this is what the company says they'll do in this and this and this category; and that's what they're being paid -- this amount and this amount and this amount for each of those details -- then that's taxpayers' dollars. That should be made public. There is no excuse for the arguments of the minister. It's just so much nonsense what he said.

As to the other, the Minister of Recreation and Parks, his arguments were totally shot down. He can talk about releasing all the peripheral documents he likes -- the press releases and the public accounts and all the summary statements -- but if the document itself has been asked for by a Member of this Legislative Assembly, then the government should produce it so the taxpayers can see how their dollars are spent.

MR. DEPUTY SPEAKER: Ready for the question?
Athabasca-Lac La Biche.

MR. PIQUETTE: Yes, Mr. Speaker. Again, I think it relates back to the fact that we don't have a freedom of information Act in this province why we as members of the Official Opposition are unable to obtain information which, I think, is very relevant to the accountability of taxpayers' money. If we cannot use the

process in the House here to ask for returns of information, I think, then, that we are even more restricted in terms of providing the checks and balances in relation to the public.

The role of the Official Opposition, the government should realize, is to seek out information, to make sure that there is proper accountability, making sure that we have good dollar use for every dollar which is expended by this government. By not having the facts by which to base these opinions on, then we lose the effectiveness of why we're here as the Official Opposition. I mean, close to 50 percent of the population did not vote for this government last election, and they do want accountability in this province. If we cannot use the process which is established in the Legislature, then I think really it demeans the whole democratic system that we have here in this province.

Again, we don't even know of the amount that has been paid out by the minister to LPI Development whether it's only a partial payment, and that we'll be seeing in the future, on an annual basis, similar amounts being voted down for the next 10 years. We do not know what this amount pertains to. So again, without having all the facts before us, we are unable to judge really the kind of deal the government has made behind closed doors with this company.

I think this government has to realize that the whole democratic system -- to be honest and fair and accountable to the public, we need to safeguard our whole democratic system of accountability. This government is surely not showing much of an example here; that anytime there's any sensitive type of information they do not wish to divulge to the Alberta public, they simply indicate that there is confidentiality, that they're trying to hide in a veil of secrecy. I don't think the public of Alberta is ready to buy that I think they want to have an open type of government which is truly democratic in its approach, and that we do not hide behind closed doors to make decisions which involve taxpayers' money.

So I totally reject the minister's contention here that he can hide behind the veil of secrecy just because it's a private corporation. When a private corporation is involved in using public money to provide a service to the taxpayers of Alberta, they should be accountable to the public like anyone else.

MR. DEPUTY SPEAKER: Hon. Member for
Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I join with my colleagues in not accepting the lame excuse for not responding positively to Motion 163 as uttered just a few moments ago by the Minister of Public Works, Supply and Services. It seems to me that if he didn't have something to hide, he would be forthcoming with the invoices and tell us what this expenditure was about.

One cannot blame the opposition, one cannot blame the ordinary person on the street, one cannot blame anybody but his own department for the raising of a very contentious issue at about this time last year, both in the House and outside the Assembly, with respect to a government decision whether by self-initiation or external initiation to proceed with a lease agreement with Olympia & York in the downtown area of Edmonton to occupy what amounted to 75 percent of a very large tower yet to be constructed by the Alberta government, with their full knowledge that the office vacancy rate in the downtown area hovers still at around 17 percent, Mr. Speaker. At one point during the last year, I believe it was in excess of 20 percent.

Now, a lot of private developers who have invested their

own money over a lot of years and had to suffer a high vacancy rate during the last six or seven years were none too pleased to see that yet more competition was going to be going up right in the middle of downtown Edmonton, competition that would inevitably take away business from them, Mr. Speaker, but competition which was further aided by the Alberta government because of the prior agreement to lease that space.

Now, the minister can give us all sorts of bunk about, "Well, the Auditor General said okay, and gave us the rubber stamp." The Auditor General gave a rubber stamp on an auditing procedure. We want to know what the money was spent for, Mr. Speaker. We want to know if this is the first part in the process that's going to lead to LPI and Olympia & York making a lot of money over a foolish commitment by the Alberta government. That's what Albertans want to know. My colleague beside me says "sleazy," and I think that's an appropriate word under the circumstance.

I like to assume the honour of members of the Assembly and even government departments until they prove otherwise, but the nature of this deal last year, Mr. Speaker . . .

MR. DEPUTY SPEAKER: The Chair hesitates to interrupt the hon. Member for Edmonton-Highlands, but the time for this item of business has expired.

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

**Bill 204
Farm Land Vendor Financing Act**

MR. HYLAND: Mr. Speaker, I find it very interesting today to be able to move Bill 204, Farm Land Vendor Financing Act, in the Assembly.

[Mr. Musgreave in the Chair]

Mr. Speaker, this is a Bill that I've thought about for some time, and I think it's an opportune time to be talking about farm vendor financing. I've had other motions before the Assembly at different times through the years, relating to such things as production credit and other forms of farm vendor financing, and this is a continuing motion that I believe we should explore all possible alternatives for farmland vendor financing or farm financing. We should explore all these possible alternatives to see if there are some that can assist with the movement of credit into farming, as it has become a very credit-intensive industry in the last few years. I should say initially, too, Mr. Speaker, that some of the actions in the Bill could be taken as a blueprint for other businesses that could well go beyond agriculture, farmland purchases, and it could be used in other forms of purchases in other businesses.

Mr. Speaker, it may seem strange to some why we'd be talking about farm vendor financing with the problem that we have with agricultural credit at the present time and those who are having problems with agricultural credit. I am not in any way trying to undermine or cut down the importance of those problems, but as well as deal with the present, we have to deal with the future. The intent in this Bill is to deal with the future so that we can look at things in the future and plan for things in the future to see if we can assist in bringing the cost of agricul-

tural credit down. Even to bring it down a couple of percentage points makes a great deal of difference in operating costs to farmers in Alberta.

Mr. Speaker, a few weeks ago I chaired a meeting in my hometown of Bow Island with some 250-plus people relating to the problems in agricultural financing. Many if not almost all of the questions were related to the problems with ADC financing. I often wondered, in the questions that were posed and the comments that were made afterwards, how many of these questions and problems would be able to be eliminated if the people who had lent them the money were right in front of them and they had to talk to them; i.e., if some of them would have been involved in vendor financing, where they were facing the person directly and they were able to talk to them, explain their problems, and decide what they could do about it then.

Mr. Speaker, I've heard various percentage calculations on what the cost of credit is on a farm nowadays, and it obviously can vary, whether you have just bought the farm and you owe for not only the land; you owe for machinery. Or it can vary to those who have the land paid for and are paying on machinery, or in fact those that have everything paid for. But I suppose an average figure can vary anywhere from 10 to 15 percent, maybe more, of the cost of operating a farm is in the cost of obtaining credit and the use of that credit in the operation of the farm.

Mr. Speaker, we have heard a lot in the last few months about those who exit from farming. There are always people exiting from business, any kind of business, and farming is business. It's big business nowadays. And again, often we see that when people do exit and do have severe financial problems, there's nobody to talk to, nobody to speak to. Their ADC loans officer may be there, but you sometimes hear comments that they haven't talked to them or they won't talk to them, et cetera. You sometimes hear some of the same comments with other lending institutions. Again, if the person is dealing with somebody he knows or an identity he knows, he has to sit down; he has to talk to them. And I think this would be an ideal place where a farmer selling out would be able to assist the person he's selling to, not only in the cost of credit but in the operation of that farm. They'd be able to talk about what he's done, what he could maybe do to run the operation better, and all sorts of things. It also would encourage other funding to come in from elsewhere.

I can't remember offhand the return on investment on farmland, but I can remember figures that I've seen where the payment on a loan in agriculture is practically the highest there is anywhere. In other words, people involved in agriculture try their damndest to pay back their commitments, and it's higher, much higher, than any other industry. I think in that aspect even a little bit lower rate of return on your money would be beneficial, in that those who pay back are much higher, and we've had that information for many, many years to fall back on.

As I said, Mr. Speaker, this is not intended to be, nor do I expect it will be, the panacea to solve the farm financing problems; it's an alternative. It's another alternative that I think we should explore. It's one that's been around. It's been proposed by some groups, and as I outlined, I indeed had a motion related to production credit and there was another one a number of years ago. There was another Bill last year somewhat different than this related to vendor financing. Also, there have been looks at federal incentives, where a task force recommended that guarantees be provided for privately funded farm mortgages. Now, this goes back, I believe, to a 1984 federal/provincial task force report, so these thoughts have been around a while.

I remember when we debated earlier in this Assembly proposals going to the then Liberal government related to financing such as this and a great deal of work that had been done by the Department of Agriculture in a study they put together that was probably an inch and a half thick. They didn't want to talk to us. They didn't want to look at it; they didn't want to consider it. I think for very little financing and incentives we could have had proposals many years ago. But be that as it may, there is no reason why we shouldn't continue to look at it and continue to work towards proposals such as that.

In 1987 Unifarm submitted a proposal related to vendor financing. I would just like to quote from their objectives of what vendor financing should be, because I think that outlines most of our thoughts on what we could accomplish with this Bill. I quote:

The objective of Vendor Financing is to provide buyers of farm real estate an alternative source of long term credit for the transfer of farm property from private individuals with terms and conditions that are more favorable than those offered by commercial lenders.

Mr. Speaker, I think that outlines what could be the purpose of the Bill. When it says "more favorable [terms] than those offered by commercial lenders," that could be even exclusively dealing with the cost of putting the proposal together. We all know that if it's a smaller group or people dealing face-to-face, they wouldn't have the same overhead as those that were dealing through institutions.

It's been estimated that if we could save a couple of percentage points in \$100,000, we're looking at a couple of thousand dollars. Every bit that you can save helps in the profit picture.

Mr. Speaker, in the research that has been done for me on this motion, I believe that private mortgages on farmland in Alberta at the present time are estimated at about \$466 million. That's about 8.6 percent of the total farm debt, so if we could increase this, it could be something that could free up moneys for other operations or for use by other people. And as I said, any amount of percentage points in saving would be extremely helpful to the operation of a farm.

Mr. Speaker, I've said many times since I started the debate that we're relating to people who are dealing face-to-face and making these arrangements. When times become tougher, in times when we have market prices such as we have now that are totally beyond our control, in a farm vendor agreement we could have people decide to change the arrangement so that loans could be kept current, I think, a lot easier than what it is now, when you're more tightly tied to a long-term loan. I'm not saying that we would want to write the interest down, but they might want to extend the period or reduce the payments, put them over a longer period of time, et cetera. They would have all kinds of options to work with.

We know from experience that farming is not a business where you can totally predict what's going to happen in the future. We all heard from people when the beginning farmer loans were starting that \$200,000 wasn't enough; it should be more. We heard that it should be easier to get, you shouldn't have to have any money down to get it, et cetera. The sky was the limit. Land prices would never come down. They were going to do everything; they were going to go up, up, up. A few years later we find that the total reverse has happened, and neither the government nor lending institutions nor whoever had a crystal ball could tell what was going to happen to the price of agricultural products in the future.

Mr. Speaker, I think those who have taken time to read the Bill will be in favour of it and vote in favour of it when it comes

to a vote. I would encourage them to do that.

Finally, briefly looking over the aspects of the Bill and the structure, we note that there's a recommendation of a board being formed and specifically recommending the kind of people that would be attached to that board. I think I gave that a fair amount of thought and removed it from -- the Agricultural Development Corporation suggested that it be a new and different board. The reason for that is that it would be a totally different view from different people, and it would give a whole new aspect of ideas and calculations, et cetera. The government involvement obviously would be there as a guarantor, as a facilitator, et cetera.

It could possibly be there if we can encourage other levels of government to participate and maybe give some concessions on capital gains tax, because I'm still of the opinion that if a farmer sells out he has calculated how much he feels he needs for retirement. He sets the price of his land on that, and in that calculation is the capital gains tax that he's going to have to pay and the other taxes related to it. If he were able to forgo part of that cost or pay it on a period as the money is being paid to him, which would put him in a different bracket: perhaps some of these considerations could be taken into effect. The Bill could be amended, if it's passed, to allow that, and that would move the price of land down. I think that could make a dramatic difference in the price of land. The capital gains wouldn't have to be paid totally upon sale, and thus the need for the person selling the land to have all the cash up front once it sells -- so he's got at least a little bit to live on and enough to pay the capital gains out.

Mr. Speaker, I think this Bill offers about as many alternatives as we could have towards the operation of such a system of credit. It offers as much flexibility as we could possibly have, and it may be the cheapest in cost to government and in administration to the farmer than what we could have. As I've outlined, the repay ability of agriculture credit up to this point in time has been one of the highest, if not the highest, of any group of people. I believe this Bill should have the support of this Assembly so that we can pass farmland on to our second generations, and that in passing it on, we can assist them with guidance in the operation of that land and the operation of credit.

Mr. Speaker, I would urge all members to support the Bill.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Bow Valley.

MR. MUSGROVE: Thank you, Mr. Speaker. I stand to support Bill 204 in principle. I do have some recommendations though. In the Bill, in number 4, it sets out a board of trustees to administer a vendor financing account. I would suggest that this could probably be well done by the board of directors of the Agricultural Development Corporation, and I'll tell you why I feel that way.

On May 12, 1987, I presented a motion, being Motion 214, and it was:

Be it resolved that the Legislative Assembly urge the government to develop programs which would promote vendor participation in financing.

Now, in that motion, Mr. Speaker, I suggested ways that this could be handled. One of the suggestions was that the province of Alberta, through ADC, should guarantee certain portions of vendor financing to the vendor. What I had suggested could happen was that you could do a production appraisal on a piece of land for sale, and then through ADC we could guarantee 80

percent of the value of that property, and the balance of it would have to be a down payment or some arrangement made between the vendor and the purchaser.

It's an ideal situation for a father and son or father and daughter or family transaction of land, because they can arrange a sale with some interest going to the seller or vendor but also allow some flexibility within the organization. In case the purchaser is not able to make payments, they can make some other arrangement where they could extend the time of the loan. Or even in those cases they won't be bound by policy; they could even forgo a portion or some interest rate on it.

I also had suggested that in a case where a vendor was prepared to take something less than commercial interest rates, we should arrange a tax credit for him on what interest he does collect. Certainly there is a lot of incentive there. Now, the province wouldn't be collecting as much income tax in that case as they would be without the arrangement, but it's certainly money that we don't have, and it's not costing the province.

The other great thing about it, Mr. Speaker, is that when a seller of a piece of property is at risk for a portion of that loan, there are going to be a lot more responsible sales and a lot more responsible buyers. I can see where some of the things that have happened in the past years wouldn't have happened had there been vendor financing involved. For instance, if the seller is at a certain amount of risk on a sale, he's going to be watching how much other credit the purchaser is getting from other institutions. And, you know, he's going to be a lot more careful on that.

Mr. Speaker, when I first started farming, vendor financing was the only way that you bought any property, and that was because of a moratorium that was put on farm foreclosures, I believe in 1935. When I bought my first parcel of land, I bought a half section. It wasn't very valuable in those days; it only cost \$8,000. But it was a situation where you had half of it as a down payment and the other half over four years. I'd put together a few head of cattle of my own before 1951, and of course as you all recall, the price of feeder cattle in 1951 was a good price. So I sold them, and I made the down payment. But that other four years was pretty rough, because I didn't have any livestock. Of course, this place was better suited to growing feed for livestock than anything else, so I had to run some cows on shares in order to be able to stock it. The price of calves went down to 16 cents a pound, and when you're only getting half of 'em, she was a tough situation.

Nowadays quite often people feel that they've got a right to credit. In those days you didn't have a right to credit. If you had to borrow a few dollars to buy a few drums of gas or sharpen your plowshares or something, you went in and you sat on a chair waiting to get into the bank manager's office and you sweated out wondering if you were going to get any money. Things have changed a lot today, Mr. Speaker. I don't recall anybody talking about the sweat box. Our neighbours used to talk at the coffee shop about your day in the sweat box.

Mr. Speaker, there have been all kinds of proposals for vendor financing. Even the Farm Credit Corporation have a proposal. Our own Agricultural Development Corporation have got some guidelines that they're looking at for vendor financing. Minnesota has a farm security program. Unifarm has got proposals. They've all got some ideas about vendor financing. But generally speaking, they don't quite suit the situation that we should be looking at in my opinion.

I believe we need something where a willing seller can sell to a willing buyer at a price that is acceptable for the province of

Alberta to guarantee that loan. There should possibly be a limit on the time, because generally people that are retiring don't want to finance a vendor for the next 20 years. But they could certainly give him a start program where they could give him a reduced interest rate, and I believe we should offer them some incentive to do that.

Mr. Speaker, I would like to take the opportunity to also include that what we should be looking at is also equity financing in farming. The committee that held public hearings for the Agricultural Development Corporation and, of course, their Options and Opportunities report referred to vendor and equity financing. So those are two things that we should be looking at. Right now, Mr. Speaker, we have all kinds of tax situations. We've got corporate tax programs, such as the Alberta stock savings program, small business investment tax credit and corporate tax programs small business deductions. Those are fairly elaborate tax reductions to people investing money in small business. It's all done through your taxes.

We also had programs where you could invest in drilling funds and get a tax credit, and a substantial tax credit. The reason for that was, as I understand it, the amount of risk you were taking by making these investments. Now, I think that to say you weren't at some risk when you were investing some money in farming today would be a fallacy. So what I'm suggesting is that along with vendor financing, why, we should take a look at equity financing and have some kind of a carrot, or incentive, through tax credits. I believe that now is a very good time for that, because for the last decade and a half or so there's no business, and particularly no farming business, where you could make a better return on your dollar than you could -- the best investment would be to put it in some kind of an interest-bearing loan or in the bank, bearing interest.

Now, that type of thing has changed somewhat. Interest rates on term deposits are not that high, and certainly after Black Friday on the stock market last fall people are probably going to be looking for some other places to invest money. One thing where a farm investment would be a lot better than the stock market -- if you invest the money in the stock market and fail, the whole thing goes down the drain. You've lost it all. If you invest some money in farming . . .

AN HON. MEMBER: You lose it all.

MR. MUSGROVE: Somebody behind me said, "You lose it all." But you don't, because the farm's still there. It might be worth a lot less money and quite likely is. So there's a certain amount of security in encouraging equity financing in agriculture. As I say, I think we should offer some incentive in the way of a tax credit to get them to do that.

So, Mr. Speaker, I certainly believe in vendor financing. I would encourage the Legislature to support this. As I said, I would have liked to have seen this done by ADC rather than have a board of directors administer this, but I'm not about to move an amendment to it to this extent. I feel that vendor financing in agriculture has got to be a must in the near future.

Thank you very much, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'll confine my remarks as much as possible, recognizing that there are other members representing rural constituencies that likely want to get in on this

debate. Perhaps if I could speak as quickly as the former Member for Edmonton-Avonmore, I'd be able to compress my words and get a lot more said in a shorter time and be able to cover the whole range without taking more than about 10 or 15 minutes of the Assembly's time.

However, I would like to, in speaking to the principle of the Bill, the Farm Land Vendor Financing Act, once again commend my colleague from Cypress-Redcliff for his fortitude. On a number of occasions, he is left in the rather uncomfortable situation of bringing forward things that the opposition likes. I know it's difficult to imagine that one of the only members for whom the "progressive" part of the tag Progressive Conservative justly applies lives in the most southerly part of the province. But, again, he . . .

MR. NELSON: That's one fool's opinion. [interjections]

MR. FOX: Don't call Cypress-Redcliff names there, Calgary-McCall.

Anyway, I do appreciate the member's efforts to bring forward the Bill. We'll have a chance, hopefully, after it's passed in the Assembly to come back at it in Committee of the Whole and deal with the specifics of the Bill in terms of clause-by-clause analysis. I do like the idea, and it's no secret that I like the idea. It's been something that the New Democratic Party has campaigned on in Alberta, not only in the 1986 election but something that was brought forward in the House for discussion and mentioned on a number of occasions by the former members for Spirit River-Fairview, who would have brought it forward for the consideration of the government. In fact, during the campaign we had as one of our campaign promises that we would initiate a farm start program, and I'll just read a brief description of it because I think it fits the Bill exactly:

We will make the transfer of farmland from one generation to another easier by establishing a system of vendor financing in the province. Such a program will provide a Crown guarantee of loans extended by individuals to their children. If a retiring farmer is willing to accept the low rate of return, the Crown will guarantee up to 80% of the principal and interest throughout the term of the loan.

A brief description, essentially I think, of what the hon. Member for Cypress-Redcliff is proposing. He seems to recognize, as I recognize, that this proposal is not the be-all and end-all of farm finance proposals, that in order to be effective it needs to be viewed as a part of a package of innovative financing programs to address the very serious concerns that we have in agriculture today.

I'm very dismayed by the fact that Bill 204 seems to be the only recognition by this government, Mr. Speaker, that we do indeed have a crisis in agriculture and agricultural finance, that there's a debt crisis in this province that is wiping out an entire generation of farmers. The government's own statistics show that the number of farmers over the age of 55 is increasing while the number of farmers under the age of 35 is decreasing. That's a trend that I know is of concern not only to me but to other members of the Assembly, because we're wiping out a whole . . .

AN HON. MEMBER: Two generations, not one.

MR. FOX: Two generations, yeah. The youngest and potentially most productive farmers in the province are losing their farms and being lost to agriculture, and it's a serious, serious problem that I don't think the government has really recognized,

because there doesn't appear to be sufficient response. The only thing that we've got before us this session to address the financial crisis of agriculture in Alberta is the Farm Land Vendor Financing Act. Perhaps the minister has some further legislation up his sleeve that he'll introduce later on. I hope so, because it's a problem that is very serious. It's provincewide, and it's not addressed fully by this Act.

It's because I recognize that vendor lending is a viable option that needs to be considered as part of a package and because I don't see the government prepared to address any of these things in other ways that I've put a motion on the Order Paper, Mr. Speaker, that I hope members opposite will support when it comes their turn to debate something that I've put forward. That is that we take a number of actions to address the farm financial crisis by

- (1) instituting a debt set-aside program with an interest-free shelter on the deferred principal;
- (2) reducing the interest rate on AADC and farm credit stability program loans to 6 percent.

The government controls almost half the farm loans in the province and could with the stroke of a pen lower the interest rate to 6 percent and make what I think is a good program, a very good program, by providing some substantial benefit. The current cost of that program, the farm credit stability program, to the provincial Treasury is only \$28 million. [interjection] It's the Provincial Treasurer's own figure there, Member for Stettler, and I don't consider that to be a substantial commitment on the part of this government to address the very serious debt crisis that Alberta farms are facing. In fact, 9 percent interest is only slightly below the prevailing commercial rate, and 9 percent as an interest rate is certainly not what the Member for Cypress-Redcliff and I would be looking at as an appropriate rate for vendor lending. The rate would need to be lower in order to be very effective. It's got to be lower than the prevailing commercial rate by a couple of points at least to be effective. So that's something the government could do tomorrow that would have enormous benefit to farmers all over the province.

The other thing is urging that we establish a debt mediation process with teeth, because certainly the vendor lending proposal, while it provides some benefit for intergenerational transfer of farmland in the future, does nothing to address the ever increasing number of farmers and farm families that are being lost to agriculture and lost to our rural communities. So there needs to be further response from the government on that.

I recognize, Mr. Speaker, that it's the tradition of this government to take ideas from the opposition, wait for two or three years, and then bring them in themselves and claim credit for them. Certainly the farm credit stability plan is an example of that, where we advocated for years . . .

MR. STEVENS: We accept all good ideas.

MR. FOX: Thank you, Banff-Cochrane; I appreciate that.

We advocated for years that the province should institute a program whereby we'd deliver fixed rate, long-term low interest loans to farmers. The Member for Lacombe was noted in a previous session for being very critical of that proposal when the opposition brought it forward. Anyway, the government in its wisdom during the last campaign came forward with that. So I point out that there does seem to be a willingness on the part of the government to take the opposition's ideas and bring them forward.

My concern is that there's that time lag there, that it usually

takes them two or three years to recognize the virtues of our suggestion and take action on it, and by then it's often too late. It's like putting a potato in the oven and then trying to bake it at room temperature, Mr. Speaker. We need to take action when action is required, and vendor lending is something the government could have brought in very easily two years ago, after we campaigned on it. It wouldn't have been very difficult. But what's the process? We have to have a motion brought in by a government backbencher last year that was passed easily by all sides of the House and then wait another whole year until another member has the courage to bring forward a Bill. I'm sure it'll be passed, and then it'll disappear in the Order Paper. Who knows? Maybe the Minister of Agriculture will come forward and make it a government Bill, and we'll get some action on vendor lending.

[Mr. Deputy Speaker in the Chair]

The Member for Bow Valley did a good job of outlining some of the other jurisdictions or areas that have looked at this type of innovative financing program for transferring land from one generation to the other. One that he left out is the province of Manitoba, where vendor lending has been in effect for a while and has proven effective in terms of addressing the needs of a particular segment of the farming population.

The Saskatchewan Wheat Pool, Mr. Speaker, has studied this too. They released a study of farm credit and land transfer policy options. The task force report made recommendations on vendor financing, and I think their comments echo the sentiments of both sides of the House in terms of the opportunity of vendor financing to provide farmers an alternate source of long-term credit for the transfer of real estate -- farm real estate is what we're dealing with here -- at stable lower interest rates, minimizing the need for government money or seeking commercial credit.

The Member for Cypress-Redcliff pointed out that approximately 8 percent of the farm loans in Alberta currently involve private lenders, private individuals financing. That's a revealing statistic, because in Canada the amount of credit extended by private individuals for farmland is about 11 percent. So it's slightly higher elsewhere in the country and indicates to me that if we brought in an innovative program like this, it would likely result in an increase in the amount of private credit extended to individuals wanting to get into agriculture. And, you know, the interest rate break that we all seem to agree ought to be provided in order to qualify for vendor lending would have the direct effect of lowering the input costs of beginning farmers, and again that's a very positive thing.

The other thing that members seem to agree on is the need to provide some sort of tax incentive to the vendor willing to participate in a vendor lending program. And after all, that has to be the trade-off there, I guess. If parents are willing to forgo the lump sum of money that they'd get in selling their farm to their children by having their children go out to a commercial lender and borrow the money, if they're willing to forgo that so they can provide their children with a lower rate of interest and perhaps guarantee their survival in agriculture, then we as a government should be willing to extend to them some tax incentive, I think, to acknowledge their willingness to contribute in that way.

I would suggest that the amount of the loan guarantee could easily be 80 percent. I know the Member for Stettler suggested 75 percent last year. That's perhaps neither here nor there.

We're in the same ballpark, and the level of the government guarantee, I think, is generally agreed by members of both sides of the House.

In terms of the actual Bill itself, I just would make a few comments to the Member for Cypress-Redcliff in the event that it does come back in Committee of the Whole for further consideration of members. I'm not sure why we need to get into creating another layer of bureaucracy to administer this program. What it needs is some directive from the Assembly, some regulations put in place, and then I think the program could easily be administered by lending agencies that are in place. It wouldn't need to be administered by a board, I don't think, that would involve appointing people, another member from the Assembly and all the kinds of opportunities for income supplementation that go along with that. Surely, we don't need to get into yet another board. I know that the government traditionally has been interested in downsizing and lean and mean and trim sort of government, delivery of service in an effective, low-cost way, so unless the Member for Cypress-Redcliff can make a compelling argument that we need to establish a board of five trustees and pay them all to do this, I think I would seek to amend that section to make sure we deliver the program in as easy a way as possible through the traditional lending outlets, Mr. Speaker.

I do support the Bill in its principle and hope that this is an indication that the government is more willing to see the wisdom in some of the suggestions that come from this side of the House and, rather than get into this political song and dance, and wait and delay, and wait until the window of opportunity to implement a good program and have effect is closed and people are hurt in the process, come forward with some of these things we're suggesting. They're good ideas, I think that if we come forward with a package of options that includes a lowering of interest rate, some debt set-aside, some creative application of debt mediation, retargeting of the debt right now that currently goes on through ADC, and perhaps the farmland trust that the members opposite do take such an interest in, I think we'd have something that we could really attack the problem with.

Thank you.

MR. DEPUTY SPEAKER: Hon. Member for Stettler.

MR. DOWNEY: Thank you, Mr. Speaker. I'm happy to be able to rise and speak to this motion today. I do want, for the record, to commend the Member for Bow Valley for his considerable wisdom and insight and the Member for Cypress-Redcliff for bringing this very timely topic forward.

MR. FOX: I mentioned you.

MR. DOWNEY: I'm somewhat concerned, Mr. Speaker, to find the Member for Vegreville outside here, so I'd like to define my position a little, if I may.

MR. TAYLOR: Why don't you sit down? We could vote on it and embarrass the government.

MR. DOWNEY: Good point, Nick. I guess I'll have to run out the clock here.

Mr. Speaker, I do support the intent of this Bill, but perhaps my observations will lead to some of the major difficulties I see with the concept and, in fact, the very reason why we are proposing government participation in this kind of a scheme.

It has been mentioned by the previous speakers that vendor financing used to be the only way to finance a farm. That was over quite a period of years, Mr. Speaker, a lot of very lean years, as the Member for Bow Valley pointed out. When credit loosened up and money became more available within the last decade and a half or two decades, the whole farm economy -- the price of assets, the mode of operating -- changed considerably along with it. Now, I don't think there's a member in this House who doesn't recognize that a lot of the problems, the stress, the difficulties in the farm economy are caused by debt. I'm not talking about the absolute volume of debt. I'm talking about the cost of debt servicing, which of course involves two factors: the size of the loan and the economic rent for that loan.

The principle is a carryover from the boom times and the easy money and the inflation of assets that occurred in the mid to late '70s through the early '80s. Fortunately, Mr. Speaker, interest rates are still largely a market function, providing the government allows it to work that way. Vendor financing still occurs on a significant scale, but the vendors have been driven from the market for financing by the rate of return that they're able to get in nonagricultural-related investments and the fact that all but the very worst risks are financed by the government.

I'd like to state, Mr. Speaker, that what could do more to encourage vendor financing in this province or across the country than any other single factor would be for the governments to quit sending out mixed signals. Let me paint a little scenario here, if I may. In the early 1980s the Bank of Canada prime hit 22.75 percent. Three- to five-year mortgages were getting really close to 20 percent. People who had cash deposits could lock in term deposit rates of 16 to 17 percent for terms of up to five years, and maybe higher. Now, in that sort of a scenario, Mr. Speaker, a farmer who was retiring and who had a potential purchaser, whether it was a family member or not and could see \$200,000 available to a purchaser out there at 6 percent, would have had to be -- and in case anybody did this, I have to be very careful -- very, very foolish not to take the cash and put it into a term deposit. In fact that's what happened, and during that period I would venture to say that there were no new vendor financing deals or at least not enough to make any sort of an impact in the marketplace.

I'm not just blaming that, Mr. Speaker, on the Agricultural Development Corporation. I want to make that clear for the record. It was a long-standing policy of this government. It was brought into being when credit was not easily available to farmers. It accomplished an objective of establishing a lot of younger people on the farm. But if we look back, that's 16 years ago, and if we established farmers in that maybe 25- to 30-year age category, those fellows now are up over 40, and we've got the same problem we had then. Perhaps the farm economy is beginning to adjust.

I maintain, though, Mr. Speaker, that low interest rates from whatever source -- and in this case, it's from the government -- an artificially low interest rate to accomplish a specific objective has a very strong tendency to draw any source of free capital, as

separate from debt, from that industry. That's what's happened in the agricultural industry. Low interest rate loans accelerate the flow of capital from the agricultural industry, and unless the government some day wishes to finance all of it, it must be willing to face that fact and leave room for commercial and private investment.

Mr. Speaker, I did want very quickly to bring to your attention the recommendations relating to vendor financing that were contained in the report Options and Opportunities, recommendations 7 and 8. For the record, Mr. Speaker:

- (7) That the Government of Alberta provide a guarantee to vendors, covering a vendor mortgage to an appropriate level of risk. This level can be a percentage of productive value, a multiple of assessment value, or can be determined on an actuarially sound insurance basis.
- (8) That the Government of Canada be requested to approve the exemption of the vendor's mortgage income and the borrower's interest expense from income tax obligations. An appropriate arrangement similar to the Small Business Development Bonds can be structured for these mortgages.

Now, Mr. Speaker, the present environment in agricultural financing caused that committee to bring out these recommendations, and given that environment, that is what would be required to bring out, if you like, a satisfactory or attractive level of vendor financing.

But to get back, Mr. Speaker, to what I was talking about before, the mixed signals that governments are sending out and the difficulties in farm financing, I believe that unless we address the basic issue of excessive debt, debt overhead, and debt servicing costs, pressure on government will continue. Policies must be designed to encourage farmers who are selling assets to reinvest directly in the agricultural industry, otherwise the capital that is leaving will need to be replaced by government.

Mr. Speaker, with those brief comments, I would move to adjourn debate.

MR. DEPUTY SPEAKER: The question has been put. The Chair must call the question. It is moved by the hon. Member for Stettler that we adjourn debate. All in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

MR. HORSMAN: Mr. Speaker, it's not proposed that the Assembly sit this evening.

[At 5:23 p.m. the House adjourned to Friday at 10 a.m.]